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ROYAL COMMISSION

ON 46

PILOTAGE

HEARINGS

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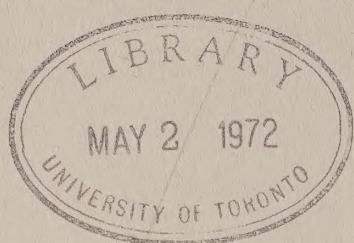
Feb. 10, 1964

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ROYAL COMMISSION ON MARINE PILOTAGE

Proceedings of the hearing held
in the Windsor Hotel, Montreal,
Quebec, on Monday, February 10,
1964

COMMISSION:

The Honourable Mr. Justice Bernier	- Chairman
Mr. Robert K. Smith	- Member
Mr. Harold A. Renwick	- Member
Mr. Gilbert Nadeau	- Secretary

COMMISSION COUNSEL

Mr. Maurice Jacques

PRESENT:

Mr. L. Langlois, Q.C.	For the Canadian Merchant Service Guild
Mr. J. Brisset, Q.C.	For the Shipping Federation of Canada
Mr. March-Lalonde	For the Federation of St. Lawrence River Pilots; Corporation of the Lower St. Lawrence Pilots; the Corporation of the Montreal Harbour Pilots, the Corporation of the Mid-St. Lawrence River and Seaway Pilots; the Corporation of the Upper St. Lawrence Pilots.



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* * * * *



Mon treal, Quebec,
Monday,
February 10, 1964

12905

English

---Upon resuming at 10.00 a.m.

HERBERT COLLEY, recalled, sworn

BY MR. BRISSET:

Q. Mr. Colley, before we pass to your main evidence, there is one item amongst the activities of the Shipping Federation of Canada which was left out by Mr. Mearns' evidence last week. This has to do with the Federation Wharf Bureau?

A. Yes.

Q. Can you tell us why the Wharf Bureau is being maintained, and the purpose of such a Bureau?

A. The purpose of this Bureau is to assist in various crew matters; in other words, in respect to deserters or stowaways or perhaps crew members who might get themselves into difficulty with the law. The Federation maintains this particular Bureau with two men who specialize in this type of work, handling and dealing with crews, and, where necessary, approaching the Courts, or keeping a very close liaison with Immigration.

Sometimes the Federation staff would be used to accompany men to act as escorts for them, perhaps, in case of deportation -- to escort them back to their home country. It is quite an active department -- this Bureau.

Q. I understand that there are actually two constables in the service of the Federation at all



1 English

2 times, manning this Bureau?

3 A. That is correct.

4 Q. And you say that they are called
5 upon to accompany, at times, deserters who are appre-
6 hended, to their country of origin all over the world?

7 A. Correct.

8 Q. Do they assist in locating stowaways
9 and deserters in this harbour?

10 A. Yes, they do. They would perform
11 this particular function, and also sometimes it happens
12 that a crew member is late in returning to his ship --
13 the ship is about ready to sail -- and these con-
14 stables seem to know the local places on the harbour
15 where they might find these gentlemen.

16 Q. They act, I take it, not only as
17 constables with power of arrest but they also act
18 as liaison officers between the police bodies and the
19 Court authorities?

20 A. Yes, that is right.

21 Q. I refer you to the annual report of
22 the Shipping Federation, filed as Exhibit 932, which
23 embodies at pages 38 and 39 the report of the Wharf
24 Bureau. Just for the record I would like you to tell
25 us how many cases were handled in that particular year
26 by this Wharf Bureau?

27 A. Well, this is the year of 1962. They
28 handled a total of 228 cases.

29 Q. Now, in connection with your evidence
30 on Friday, when you filed various statements showing



1 English

2 the percentage of pilotage fees in relation to total
3 port charges, you mentioned that there was, perhaps,
4 another comment that you would like to make in con-
5 nection with these statements. Will you do so?

6 A. Yes. I want to emphasize, or point
7 out again, that this entire area -- the pilotage area from
8 Escoumins to the lakehead -- is rather unique. It is
9 a long area, and the result of that is that the
10 aggregate of pilots is, I would think, probably the
11 greatest that you would find in any area in the world.

12 In other words, it is a simple compari-
13 son. If, for example, you go into a seaboard port any
14 where on the Atlantic coast the total pilotage is
15 \$300 in and out; the relative increase there of 5 per
16 cent does not represent an extremely large figure,
17 but when you remember we are talking about a percentage
18 increase of aggregate pilotage of \$3,000 or \$3,500, I
19 think it can be readily seen that there is quite a
20 different proportion involved.

21 Q. In other words, ten per cent of \$3,500
22 is quite different from ten per cent of \$300?

23 A. Yes, exactly.

24 COMMISSIONER SMITH: While we are on
25 the question, I am looking now at Exhibit 937(1), and
26 it is broken down to show the cost of pilotage in
27 relation to other services; but is not clear, in my
28 mind -- it may be on the record -- it is not clear
29 whether this includes, for instance -- and it is not
30 mentioned here -- side wharfage, top wharfage, or



1 English

2 whatever incidental charges there may be -- harbour
3 charges - on this breakdown of 46 per cent of total
4 charges. I mean, is everything in here?

5 THE WITNESS: Yes.

6 COMMISSIONER SMITH: Everything that
7 is covered it here, is it?

8 THE WITNESS: Everything that is under
9 the classification of port charges. If at any of
10 these ports there is a side wharfage charge against the
11 ship it would be included; that would be a port charge.

12 COMMISSIONER SMITH: How about top
13 wharfage?

14 THE WITNESS: Well, not top wharfage.
15 Top wharfage is normally a cargo charge and paid by
16 the shipper or importer.

17 COMMISSIONER SMITH: Really, the only
18 thing that is left out of the mentioned charges here
19 is the side wharfage, if there is any?

20 THE WITNESS: If there was any side
21 wharfage it would be in there.

22 COMMISSIONER SMITH: And that is not
23 included here because there isn't any at the port?

24 THE WITNESS: Yes.

25 MR. BRISSET:

26 Q. But top wharfage was not
27 included?

28 A. Not top wharfage.

29 Q. Any more than any charge which a
30 shipper might have to pay directly, like trucking his



1 English

2 goods to the dock, and this sort of thing? That is
3 not included?

4 A. No.

5 Q. Now, during the course of Captain
6 Matheson's evidence on the events respecting the
7 Kingston district there was reference made to an
8 agreement reached with the pilots, or alleged to be
9 reached with the pilots, with respect to the season
10 of 1959; in other words, what would be the target income
11 for that year of pilots in the district, and the figure
12 quoted having been \$10,600? You recall the evidence
13 of Captain Matheson?

14 A. Yes.

15 Q. It has been suggested to Captain
16 Matheson that in fact there had been no agreement with
17 the pilots, but possibly simply an agreement between
18 the Shipping Federation and the Department of Trans-
19 port.

20 What I want to ask you is whether you
21 attended those meetings with the pilots at the time,
22 yourself?

23 A. Yes, I did.

24 Q. Do you recall the gist of the discus-
25 sions and do you have any notes on the discussions?

26 A. Yes, I recall them very well. I be-
27 lieve I was involved in all of the meetings in question;
28 and I do have notes that I took at the time.

29 Q. And what do you recall on the topic
30 of an alleged agreement on the part of the pilots that



1 English

2 their income in 1959 would be \$10,600, or that at
3 least would be the target they would accept?

4 A. Well, I don't recall the point quite
5 clearly because, of course, we were facing a new situa-
6 tion. The problem was: How can anyone estimate how
7 the seaway situation will compare to the old canal
8 system? Everyone had different ideas on that. It
9 was only natural, perhaps, that on the pilots' side
10 their estimates were considerably longer than ours.
11 The Department of Transport officials sat in between
12 and tried to compromise this point of view. But
13 basically we had arrived at more or less an impasse --
14 that is to say, on the one side there was a request
15 for a tariff that we felt was unduly high, and on our
16 side we were suggesting a tariff which, perhaps, the
17 pilots considered to be too low.

18 It was at this point that it became
19 necessary to say: "Well, what is it that we are trying
20 to get at? What is it that we want to produce from
21 this tariff?" The question came up time and again, and
22 finally Mr. Gerin-Lajoie came out with the statement
23 that if the pilots could obtain approximately the
24 same earnings as they had the previous year then they
25 would be happy that this is what the tariff should
26 produce. I must say that this was the one and only
27 time that Mr. Lajoie ever made the statement, and he never
28 did again refer to income from that day on.

29 But, having arrived at that, now the
30 point was: How do we establish a tariff? How do we



1 English

2 create what will produce approximately the same income?

3 The Department came up with the suggestion based on

4 draught or tonnage, which eventually was taken. But

5 in my notes, for example, I have a note of a meeting

6 on April 23rd where this target of the income was

7 mentioned, and to make this thing practicable I

8 notice the Federation came up with the suggestion,

9 if necessary, of further guarantees to the pilots that

10 their average earnings will not be below the 1958

11 season, and that the Federation put into effect a

12 surcharge of \$25 per ship per trip, to be held in

13 escrow until the end of the season, contingent on

14 there being no labour troubles.

15 This is one of the suggestions that
16 came up.

17 MR. LALONDE: You are referring to
18 notes. Who wrote these notes?

19 THE WITNESS: This is a memorandum of
20 our meeting; this is a Federation note.

21 MR. LALONDE: Written, probably, by
22 Mr. Mearns or Captain Matheson?

23 THE WITNESS: That is correct.

24 This suggestion of putting funds into
25 escrow was not followed through. Mr. Cumyn, who
26 attended on behalf of the Department, also made the
27 statement at the time that if the funds were not
28 sufficient and this became apparent during the season,
29 then probably an arrangement could be made to cover
30 these deficiencies out of treasury funds. But, in



1 English

2 any event, the objective was to see, in the light of
3 experience after two or three months, whether the
4 tariff was fulfilling the objective we had set.

5 Of course, I think as the previous
6 testimony brought out, we didn't get these figures.
7 We got an indication later in the year but we didn't
8 get the figures until the December meeting of the
9 following year; and, of course, nothing was done
10 about it ultimately.

11 MR. BRISSET: Now, Mr. Colley, from
12 whom did this idea, of creating the fund to take care
13 of such a deficiency, emanate?

14 A. From the Federation, the
15 Shipping Federation.

16 Q. However, it was not accepted, you
17 said, at the time?

18 A. No.

19 Q. Now, in fixing this target income
20 was there any suggestion of the number of trips which
21 the pilot would have to make in order to reach that
22 income?

23 A. Yes.

24 Q. What was the number contemplated?

25 A. I notice that this is a note in my
26 own handwriting, in which we were calculating a total
27 of 3,000 trips into the Lakes; that would be counted
28 inwards one trip, outwards one trip, and that would
29 be based on two thousand ocean vessels and one thousand
30 Lake vessels; and based on fifty pilots this would work



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Colley, dir
(Brisset)

12913

1 English

2 out to an everage of 60 trips per pilot a season of
3 thirty weeks, or approximately two trips per week.
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1 English

2 Q. Now, Mr. Colley, I want to pass on to
3 the events from 1960 on and on page 56 of your brief
4 you refer to the convening of the first inter-depart-
5 mental meetings in January and February 1960. In
6 this connection you mentioned that advice was received
7 from the Department that the Department was somewhat
8 alarmed at the increase in the cost of pilotage. In
9 this regard, will you tell us how this came to you,
10 this information at that time?

11 A. That the Department was...

12 Q. That the Department was getting to
13 be alarmed. In other words what I am driving at is
14 was it in correspondence or simply verbal advice at the
15 time?

16 A. It was verbal advice at the time.
17 Well, we did have correspondence also but we did also
18 have meetings up in Ottawa and in the course of those
19 meetings it was made known to us their concern.

20 MR. LALONDE: Who expressed those views?

21 THE WITNESS: In Ottawa?

22 MR. BRISSET: Q. Yes, that is the question?

23 A. I would say that all members of the
24 Department from the Deputy Minister down that were
25 concerned or dealt with pilotage matters.

26 Q. Now, at all events meetings did take
27 place and generally speaking at those meetings with
28 the pilots what did you find was their attitude with
29 respect to the requests they had to present in the
30 light of the operations in 1959, of course?



1 English

2 A. Well, our objective, of course, has been
3 to find some basis on which it might be possible to
4 arrange a pilotage service and of course, particularly
5 pilotage tariff that would have a relationship to
6 earnings in some way and in discussing these problems
7 with the Department, pointing out to them that the
8 methods that had been used and the great difficulties
9 that we had gone through in 1959 throughout the whole
10 season, of continual small things being brought up,
11 small amendments to the tariff or small changes in
12 working conditions, that this must somehow be stabilized
13 and we felt that it was also up to the Department to
14 take a firm stand and I think it was at this particular
15 time that the Department -- it was probably the Deputy
16 Minister -- gave us a little lesson in politics and told
17 us that while the Department basically agreed with our
18 views that we must appreciate that the pilotage
19 organization, the corporations, had some political
20 influence, that was rather lacking on our side; which,
21 of course, was quite true because the Shipping
22 Federation had never been involved in either lobbying
23 or political activities of any kind.

24 Furthering this little political lesson,
25 we had raised at this meeting again the possibility of
26 an inquiry or commission being held to investigate
27 pilotage so that some decision might be given from a
28 higher and more objective level.

29 It was then explained to us that commissions
30 did not come about -- they are not appointed just on a



English

whim, that either there must be a very strong feeling amongst the Members of Parliament on a particular problem or you must have a crisis of some kind. This is the only way you can get a commission and of course, we went away feeling this was going to be rather difficult but a few years later the pilots and their corporations were able to provide us with this crisis. That was our first lesson in politics.

Just to follow that up further, we went away feeling that we must somehow educate or give publicity to our case which we felt was a good one and it was then that we published that little leaflet that is in our brief or the appendix to our brief on page 138.

Q. Appendix 49?

A. Appendix 49, yes. This was published and given fairly wide circulation and particularly I think we sent it to all members of Parliament. We did not get very much reaction. I imagine it ended up in the wastepaper basket with most of the other circulars. In some cases there was a good reaction to this little publication.

Q. I refer you to Appendix 49, to a statement contained on page 6 which I will quote to you because it has been the object of some remarks by pilots that have appeared before this Commission. I quote:

"As the implications in this situation are several and obvious. Insofar as negotiations between the pilots and the industry are concerned, the situation un-



1 English

2 fortunately and we believe wrongly, places
3 in the hands of the pilots the power --
4 well exercised -- to negotiate on tariffs.
5 In addition it permits a small group of men,
6 by personal contact with their political
7 representatives, to exercise undue political
8 pressure on the Pilotage Authority responsible
9 for the administration of pilotage."

10 What I am driving at, Mr. Colley, are the
11 last words "to exercise undue political pressure on
12 the Pilotage Authority." Where did you get this
13 information or the basis for this statement?

14 A. We got this information in Ottawa that
15 I just was reciting. The Deputy Minister at the time
16 so advised us, and of course, later on we received
17 the same type of advice from the Minister himself.
18 Of course, it is rather obvious in a way when you think
19 how on these matters continually the problems were
20 thrown back and forth and finally they end up with the
21 Minister and almost invariably this was the pattern.
22 When agreement could not be reached it ended up with
23 the Minister on a type of problem which we did not feel
24 a Cabinet Minister should be bothered with.

25 MR. LALONDE: Which Minister told you
26 anything of the sort?

27 THE WITNESS: The Minister who was in at
28 the time of the strike, Mr. Balcer.

29 MR. LALONDE: That was in 1962?

30 THE WITNESS: Yes.



1 English

2 MR. LALONDE: How could this be the basis
3 of a statement in 1960?

4 THE WITNESS: No, I am not linking the
5 last statment directly with the booklet. I am talking
6 in general terms.

7 MR. BRISSET: Q. In 1960, Mr. Colley,
8 did you not find that problems even then landed in the
9 lap of the Minister?

10 A. Oh, yes, very much so.

11 Q. Did your Federation have actual meetings
12 with the Minister even at that early date?

13 A. Yes.

14 Q. Did that go on for the years that
15 followed?

16 A. Oh, very much so.

17 Q. Mr. Colley, I want to refer you to
18 Appendix 45 in the second volume of the brief of the
19 Federation. I simply want you to identify this letter
20 as the one which was sent to the Deputy Minister at the
21 time; drawing your attention to the third and fourth
22 paragraph in which he speaks of an inquiry into pilotage.

23 MR. LALONDE: Would you mind repeating
24 the page number, Mr. Brisset?

25 MR. BRISSET: Page 123, Appendix 45.

26 THE WITNESS: Yes.

27 Q. Am I right that it was in connection
28 with this request for an official inquiry into pilotage
29 that you were given this little lesson in politics which
30 you have just mentioned?



1 English

2 A. That is right.

3 Q. Now, Mr. Colley, I want to pass on
4 to a statement contained on page 57 of your brief in
5 which you speak of the disputes that arose between the
6 pilots and the Department on the topic of statistics.
7 Would you tell us what information by way of statistics
8 the Shipping Federation was getting in the years prior
9 to 1960 on the topic of pilotage dues and earnings in
10 each district by the various pilots serving there?

11 A. Up to that time, that is up to 1959,
12 the Shipping Federation used to receive statements of
13 the individual pilots' earnings. In other words,
14 it was man by man, pilot by pilot, the actual earnings
15 that each pilot had made derived from the pilotage
16 tariff?

17 COMMISSIONER SMITH: The net earnings?

18 THE WITNESS: No, it was the actual
19 earnings. In other words, what each pilot had earned,
20 the actual tariff translated into the credits for that
21 particular pilot.

22 MR. BRISSET: Q. Now, were you also
23 receiving information from the Association of Pilots
24 as to what they were earning by way of pilotage dues
25 and how these were distributed?

26 A. Yes. I believe we were getting such
27 information. The technicalities of how it was done,
28 I am not certain, but we were getting such information
29 also.

30 Q. Is it not a fact that you were getting



1 English

2 this on a monthly basis?

3 A. Yes, I believe that is so.

4 MR. LALONDE: Do you have any such state-
5 ments to produce?

6 THE WITNESS: Yes, I think we -- I don't
7 know if we have them here but we can make them available.

8 MR. LALONDE: Would you mind producing some
9 this afternoon?

10 MR. BRISSET: Q. In other words, you
11 were obtaining your information as to what the pilots
12 were earning by way of dues from two sources, the
13 Department and the Pilots Associations?

14 A. Yes.

15 Q. And these were actual earnings, not
16 in statistical form?

17 A. That is correct.

18 Q. I would like you, Mr. Colley, to file
19 statistical information by way of actual figures that
20 you had been obtaining from the Department of Transport,
21 restricting myself to the District of Montreal, Montreal
22 Harbour and Kingston, in the year 1959, as this
23 information for the Harbour of Quebec is already before
24 this Commission and simply as an illustration of the
25 type of documentation you were getting and these
26 statements will be filed together as Exhibit 938.

27 MR. BRISSET: For the record, My Lord, I
28 would like to list them. The first statement is
29 entitled, a statement showing the number of branch pilots
30 for and above the Harbour of Quebec during the year



1 English

2 1959, showing their ages, residences, the number of
3 pilotage earnings and whether employed on special
4 service or tour de role.

5 The second statement is one entitled, a
6 statement showing the number of licensed pilots in and
7 above the Harbour of Montreal during the year 1959,
8 their ages, residences and so forth, as on the other.

9 The third statement is one entitled, a
10 statement showing the number of branch pilots for and
11 above the Harbour of Montreal during the year 1959
12 showing their ages and so forth. Above the Harbour
13 of Montreal, of course, would be the Kingston District.

14 MR. BRISSET: Q. Now, Mr. Colley, there
15 is already in evidence the fact that these statements
16 for the year 1959 were the last ones that you ever
17 received from the Department of Transport in that form?

18 A. That is correct.

19 Q. Would you explain what happened from
20 1960 on?

21 A. From 1960 --

22 Q. In connection with providing the
23 Shipping Industry with statistical information?

24 A. From 1960 on, we received on an annual
25 basis an analysis district by district, of the earnings
26 of pilots, which was broken down in such a way as to
27 indicate what the Department referred to as the number
28 of effective pilots and this again translated into
29 an average annual income for each pilot for that district.

30 Q. Now, was there any mention of this



1 English

2 system of new statistical information during your 1960
3 meetings?

4 A. Yes.

5 Q. And do you have some note or memorandum
6 on this topic?

7 A. At the first 1960 meeting, which was
8 held in Ottawa in January, certain statistics were
9 produced by the Department of Transport officials
10 indicating, as I have said, the number of effective
11 pilots and the average income.

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1 English

2 These statistics were questioned by the
3 representatives of the pilots' corporations and they
4 did not agree with these figures. They thought that the
5 Department had not made them up properly. They did
6 not agree with the method of calculating the effective
7 pilots.

8 Consequently those figures were withdrawn
9 and new statistics were compiled which were submitted
10 at the later meeting which was held, I think, in March
11 here in Montreal. As far as we are aware the same
12 system has been used ever since by the Department, although
13 I do not think the pilots' corporations have ever quite
14 agreed with them.

15 Q. However, you have just indicated that
16 the first statistics submitted having been objected to
17 by the pilots the Department did revise them and submitted
18 them on a different basis. To be a little more specific,
19 what was the effect of the revision? Can you from your
20 notes show us for instance what it resulted in?

21 A. Yes. The effect of the revision was
22 to create a new figure of average income that was lower
23 than the one in the first set of statistics. Again now
24 I am reading from a Shipping Federation memorandum that
25 was actually drawn up by Captain Matheson in which firstly
26 we record that certain earnings were indicated in this
27 first set of statistics.

28 Q. What were these earnings indicated in
29 that first set of statistics?

30 A. Montreal Harbour Pilots, \$16,250 less



English

1
2 claimed expenses, \$600; St. Lawrence-Kingston District,
3 \$15,100 less claimed expenses, \$1,600; Montreal River
4 District, \$13,200 less claimed expenses, \$2,000;
5 Quebec Pilotage District, \$16,720 less claimed
6 expenses, \$2,000.

7 Q. This was the first set of statistics?

8 A. This is the first set, yes. That
9 was subsequently withdrawn by the Department and
10 replaced at a later meeting with the new set. The
11 new figures that were produced -- in the case of
12 Montreal Harbour Pilots the revised figure was \$14,970
13 less claimed expenses of \$1,839.

14 Q. It was not \$14,999.99 by any chance?

15 A. No, no -- \$14,970. I have no note
16 of any change in the Quebec District or the United
17 Montreal Pilotage District, but again in the St.
18 Lawrence-Kingston District there were revised figures
19 which indicated net average earnings of pilots at
20 \$14,452 with claimed expenses of \$1,500.

21 Q. Insofar as the statistics were
22 concerned they were still abstract figures based on
23 some system of computing them; is that not correct?

24 A. That is correct, yes.

25 Q. From then on, from 1960 when these
26 meetings took place until the present date, have you
27 ever been submitted by the Department anything but
28 statistics in the abstract?

29 A. No, never. This is the only form
30 in which we have received them.



English

1 Q. No actual figures?

2 A. No actual figures.

3 Q. Have you ever been able to obtain any
4 information from the pilots along the same lines as
5 that that was being obtained prior to 1959?

6 A. No, no, not since the advent of the
7 corporation system; we have never received such
8 information.

9 Q. Since we are on this subject of
10 statistics I would like you, taking advantage of the
11 occasion, to file a copy of a letter which was addressed
12 by your Federation on March 9th, 1962, to, I believe,
13 the Minister or the Deputy Minister. Do you have this
14 letter handy -- on the subject of statistics?

15 A. March 9th, 1962.

16 MR. BRISSET: Will you file this letter,
17 which is dated March 9th, 1962 and addressed to J.R.
18 Baldwin, Esq., Deputy Minister of Transport by the
19 General Manager of the Shipping Federation as Exhibit
20 No. 939?

21
22 --- EXHIBIT No. 939: Letter dated March 9th,
23 1962 to J.R. Baldwin,
24 Deputy Minister of Transport
from the General Manager of
the Shipping Federation.

25
26 Q. I see from this letter, Mr. Colley, that
27 it deals mainly with one problem -- the method of
28 calculating effective pilot. In other words, two
29 years after the 1960 meetings am I right in understanding
30 that this was still a matter in dispute?



1 English

2 A. Yes.

3 Q. In fact has it ever been resolved?

4 A. I do not believe it has.

5 Q. Insofar as you are concerned -- I am
6 speaking of the Shipping Federation -- are you aware
7 or do you know with any degree of certainty what is the
8 present system applied by the Department to determine
9 what is an effective pilot?

10 A. I cannot say that I know with certainty.
11 I have reason to think that I know the general principles
12 that they are working on.

13 Q. Will you explain it?

14 A. I should go back to the beginning.
15 When the statistics presented at the January, 1960
16 meeting were first produced the method of calculation,
17 of course, was something that everyone was interested in.
18 Briefly, the system of calculating effective pilots
19 was to measure the number of days that each pilot was
20 available for duty.

21 To make the example a simple one, if a pilot
22 was sick, say, half a year, then he became half an
23 effective pilot. This was calculated down to a fine
24 basis, down to individual or single days even. The
25 accumulation of this information put together produced
26 what was known as the effective number of pilots.

27 As I recall, the main objection that the
28 pilots had at the time was that it was reducing the
29 number of pilots too drastically, because in taking
30 individual days off for sickness and so on perhaps these



1 English
2 pilots had the opportunity to make the time up later on
3 and therefore it was not fair. That was when the
4 Department instituted a new system by crediting each
5 pilot with ten days' free sick time so that a pilot
6 could be away for ten days and he was still 100% a full
7 effective pilot as far as the statistics were concerned.

8 I believe that that is the same system that
9 is carried on; I cannot be sure of it. I never had a
10 detailed explanation in subsequent years, but I have
11 no reason to know that there was any change from that
12 system.

13 MR. LALONDE: Do you have any evidence
14 that this new system was ever used, this ten days off?

15 THE WITNESS: Apart from the fact that it
16 was explained to us at one of these joint meetings here
17 in Montreal and Captain Jones indicated that this was
18 his intention, I do not know. We do not have the
19 basic information which would enable us to work
20 backwards from the statistics and see how they did it.

21 MR. LALONDE: And the following year,
22 the following meeting, did they state they had
23 calculated it on that basis or not? Was there any
24 mention of that?

25 THE WITNESS: I do not recall. That
26 would be 1960?

27 MR. LALONDE: 1960 or 1961.

28 THE WITNESS: The 1961 meetings we did not
29 attend.

30 MR. BRISSET: Q. And in 1962 the matter



1 English
2 was still in dispute according to the letter which you
3 have just filed?

4 A. Yes.

5 Q. Insofar as the Shipping Federation is
6 concerned for and on behalf of the shipping industry
7 using the services of the pilots, what do you
8 consider should be the information submitted to enable
9 you to understand and appreciate the position?

10 A. Well, it would make things very much
11 simpler if basically we received information similar to
12 what we got in the years prior to 1960. That is, the
13 individual earnings of each pilot, which gave a complete
14 breakdown of what he was credited with in the way of
15 tariff earnings. Certainly with this type of basic
16 information it is possible to compile your own
17 statistics and in any manner that can be useful.

18 Q. You would require, would you, in
19 addition to that this type of information that has already
20 been presented to the Commission under the heading
21 "Days of Absence in a Year"?

22 A. Yes. That would be necessary to
23 complete the picture.

24 Q. Adding to the number of days as shown
25 on the statements the cause?

26 A. Right.

27 Q. So with this information you feel that
28 you would have what you require to understand what is
29 going on?

30 A. Exactly.



1 English

2 THE CHAIRMAN: I understand that up to
3 1960 it was working well, the information you received.
4 To what do you account the change of policy from the
5 pilots' side and from the Department?

6 THE WITNESS: Well, I do not know that we
7 have ever been given an explanation of this. On
8 the Department's side it was indicated to us that they
9 were installing rather modern type equipment, business
10 machines that would do marvelous calculations and that
11 would be able to give a fast answer at any time on
12 analysis of pilotage statistics. I think I do recall
13 that we were rather hopeful that this would be the case,
14 but it has not turned out to be that way. In fact,
15 the statistics from the Department come in later rather
16 than earlier.

17 MR. LALONDE: Excuse me, My Lord, you
18 stated that from the evidence received, I think, it
19 seemed that all was going well before 1960. If this
20 is the impression the Commission is under, I would
21 certainly re-open presentation of evidence.

22 THE CHAIRMAN: It was satisfactory as far
23 as the Shipping Federation was concerned.

24 MR. LALONDE: Oh, I see.

25 THE CHAIRMAN: As far as the witness was
26 concerned.

27 MR. LALONDE: I am sorry. I thought I
28 had understood something else.

29 THE CHAIRMAN: No, no.

30 MR. BRISSET: Q. As far as the side of the



1 English
2 pilots was concerned you have already explained that
3 in prior years, prior to 1959, say, there seemed to
4 be no reluctance on the part of the Pilots' Association
5 to disclose to you what pilots were earning. Did you
6 find the same thing after the advent of the corporations?

7 A. No; on the contrary they would never
8 produce such figures. At the annual meetings -- or
9 specifically one that was held in March of 1960 --
10 when this question came up, that we thought it would
11 be helpful if we could have this type of information
12 because, after all, we are embroiled in a discussion
13 of how statistics are arrived at and whether or not they
14 are fair, we suggested at the time we might be provided
15 with this information, but it was never forthcoming.

16 Q. We are on the topic, Mr. Colley, of
17 the meetings in 1960, the beginning of the year.
18 I simply want you to identify Appendix 46 as the
19 memorandum presented at the time to the Minister of
20 Transport by the Federation of the St. Lawrence River
21 Pilots and on behalf of the pilots belonging to the
22 corporations which have then joined the Federation.
23 Is that the document?

24 A. Yes.

25 Q. Will you also identify Appendix 47, being
26 a letter from the Deputy Minister, Mr. Baldwin, to Mr.
27 Mearns, indicating the decision of the Minister on the
28 revisions of the tariff requested by the pilots'
29 committees?

30 A. Yes.



1 English

2 Q. That is the letter you received at the
3 time?

4 A. That is correct.

5 Q. I would like you to refer to Appendix
6 48 and identify this letter as the reply addressed
7 by your Federation to the letter from Mr. Baldwin in-
8 forming you of the decisions of the Minister at the time?

9 A. Yes.

10 Q. In connection with this last letter,
11 Appendix 48 page 135, Mr. Colley, there are three
12 statements contained therein in respect of which I would
13 like you to give us your explanation.

14 I refer first to paragraph 2 on page 136,
15 in which you say this -- and I quote:

16 "It is the view of our members that
17 any uncertainty which may be shown by the
18 Department can only lead to difficulties and,
19 in fact, invite the same type of differences
20 and difficulties with which we were plagued
21 continuously during the 1959 season."

22 What was the reason at the time for this
23 statement accusing the Department more or less of
24 indecision and lack of firmness?

25 A. This was the case. After these
26 meetings had taken place and even though the Shipping
27 Federation felt at the time that the earnings were at
28 a very high level -- take for example the case of the
29 Kingston District where we believed that we had an
30 agreement to keep to, a target income in 1959. That



1 English

2 agreement was not held up. The result was that the
3 earnings were considerably higher than the target and
4 yet in spite of that a further increase was proposed
5 by the Department for 1960.

6 It was in this light of the further increases
7 throughout and then even on the points where the
8 Department apparently was not quite sure should they or
9 should they not. They would not come out and say so
10 but rather -- "Well, this is still under study;
11 we will give it further consideration." Now this is
12 what we referred to in this letter. Instead of being
13 decisive and saying one thing or the other -- even if
14 it is a good decision or a bad decision, at least that
15 would have given a certain amount of stability to the
16 pilotage situation throughout the year 1960 -- but
17 rather the Department says:

18 "Here is a rather ticklish problem now;
19 we are going to study this further."

20 Naturally this only indicates to the
21 corporations that their requests, their objections,
22 have not been turned down; there is still hope here;
23 the Department is very much on the fence. It was
24 an invitation for the corporations to continue
25 hammering away, and so they did all summer long.

26 Q. I refer you to the third paragraph
27 in the same letter in which you recommended the
28 establishment of a committee similar to the advisory
29 committee already suggested by the Federation in
30 1957 which would be free from political influence.



1 English

2 What was the reason for this statement? Why insist on
3 freedom from political influence?

4 A. Well, it is the same as we discussed
5 a little earlier this morning. It has been made so
6 clear to us that there were political influences at work.
7 That when the time came for decision within the Depart-
8 ment of Transport we certainly found in sitting down and
9 talking with the civil service level people that we
10 were in common points of view on so very many things
11 and there was not too much of a dispute or dissent between
12 us.

13 But in spite of that in the final analysis
14 the decision which would come out from the Minister
15 would be very much contrary to what his civil service
16 assistants had indicated to us. Therefore we could
17 only conclude that there must be another fact that has
18 changed the decision at the top, and we hear that this
19 was the political influence.

20

21

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1 English

2 Q. Finally, Mr. Colley, I want to draw
3 your attention to the fourth paragraph in the same
4 letter, in which you recommended that if the Advisory
5 Committee was not to be appointed there would have to
6 be some form of Commission to investigate pilotage.

7 Was it in connection with that par-
8 ticular recommenddation that you were told that the
9 time was not ripe -- that there was no crisis yet?

10 A. 1960, yes.

11 Q. Now, you state in your brief that the
12 result of the meetings that took place in early 1960
13 was that there were increases in the tariff granted
14 to the pilots?

15 A. That is correct.

16 Q. And was that the end of such increases
17 for the year 1960?

18 A. No, it wasn't; further requests were
19 made. Yes, in August of 1960.

20 Q. Had the increases or changes in the
21 tariff agreed to by the Department in the spring come
22 into effect in August?

23 A. Yes, they had come into effect.

24 Q. Now, will you refer to Appendix 50
25 at page 140 of the second volume of the brief of the
26 Federation, which is the brief of the Federation of
27 St. Lawrence River Pilots as representing the four
28 groups of pilots operating on the St. Lawrence River,
29 and tell me whether this is the brief that was sub-
30 mitted to the Minister with a copy to you at the time?



1 English

2 A. That is correct.

3 Q. Now, in the brief at page 59 you state
4 that the pilots' representative had the courtesy of
5 furnishing you with a copy of his brief, and then you
6 add:

7 ". . . together with the information that
8 the Minister's assistant has been informed
9 that if the pilots did not receive a
10 favourable acknowledgement to their
11 brief in what they considered was a
12 reasonable period of time -- fifteen
13 days -- all members of the Federation of
14 St. Lawrence River Pilots would congregate
15 to consider future plans in connection
16 with the contents of their brief . . ."

17 What is the basis for the statement contained in the
18 brief?

19 A. This is what we were advised in a
20 telephone conversation with the Department of
21 Transport at the time.

22 MR. LALONDE: A telephone conversation
23 between whom and whom?

24 THE WITNESS: I think it was probably
25 between Captain Matheson and -- I will have to get
26 some help from him . . .

27 MR. BRISSET:

28 Q. You can't say yourself, personally. . .

29 A. No.

30 Q. . . . between what parties the



1 English

2 conversation took place?

3 A. No, I cannot.

4 Q. Now, by the time this brief was
5 submitted, as well as the further requests that were
6 submitted in the spring of 1960, had you become
7 aware that the four corporations of pilots -- the
8 four associations of pilots in the four districts --
9 had grouped themselves in their legal entity of
10 corporations?

11 A. Yes.

12 Q. And that they had joined the Federa-
13 tion as groups?

14 A. That is correct.

15 Q. You were aware of that?

16 A. Yes.

17 Q. Now, in your negotiations at the time
18 and your dealings with the pilots, what organization
19 was taking the lead -- I am speaking of the Federation
20 or the Corporation -- on the surface, so far as you
21 could see?

22 A. I must say it was rather difficult
23 to tell, in a way, because it was the same people --
24 it was the corporations -- and for the most part
25 we dealt with their counsel. It was Mr. Gerin-Lajoie
26 and later Mr. Lalonde, in so far as these gentlemen
27 represent both the Federation and the individual
28 corporations; and I don't imagine that we always
29 asked them "Who are you representing today?" or
30 "What hat do you have on today?" But it was



1 English

2 fairly obvious that the scope was quite broad. In
3 other words, naturally, they were thinking of the
4 overall situation as well as the specific one.

5 Q. You state, however, in connection with
6 the brief of the Federation of St. Lawrence River Pilots
7 of August 1960 that the pilots' representative extended
8 the courtesy of providing you with the copy. Do
9 you know from what source it actually came -- from the
10 legal advisor or the Federation -- officers or the
11 president, or what?

12 A. No; we must have that information; I
13 don't have it in front of me.

14 Q. You don't have it; that is all right.

15 Mr. Colley, I don't want to go into the
16 arguments that you have developed on pages 59, 60, 61
17 and 62 of your brief, commenting on the brief of the
18 Federation, because this is purely argument. However,
19 there are one or two points I would like to take up with
20 you. The first one is the topic of special pilots
21 in the Quebec district.

22 We have had evidence before this Commission
23 that in so far as special pilots in the Montreal district
24 were concerned their status was the cause of some
25 dissension within the groups -- within the local
26 groups. In so far as the Quebec special pilots were
27 concerned were you at any time aware of the internal
28 dissension in their respect within the particular
29 group of pilots?

30 A. In respect to the subject of special



1 English

2 pilots?

3 Q. In Quebec, yes?

4 A. No.

5 Q. Were you told of any such dissension
6 in the Quebec district by anybody connected with the
7 pilots?

8 A. No, I have never heard of any such
9 dissension.

10 Q. Could you give us a brief outline of
11 the special pilot system in so far as the shipowner
12 is concerned? Can you give us your own appreciation
13 of this particular system, based, of course, on your
14 experience, as I presume you have had special pilots
15 in your service?

16 A. Yes, I have. Well, first of all, let
17 me preface my remarks by saying that it is under-
18 standable that as organizations become larger in
19 size you can't help but lose some of the personal
20 touch, and I think that, say, today, it would be
21 very difficult to have a continuation of the special
22 pilot system as we knew it. But I don't think one can
23 lose sight of the fact that it was quite a remarkable
24 system. It had a lot of advantages to it.

25 Just to take my own case -- our
26 company -- we had two special pilots in the Quebec
27 district and two in the Montreal district. Now,
28 the specials became quite familiar with all of the
29 captains who were regularly trading to us, and it
30 naturally became quite a friendly relationship; but



1 English

2 there was efficiency also involved, because the same
3 pilots were handling the same ships with the same masters
4 and they got to know not only the ships but also the
5 idiosyncracies of the individual captains, and I think
6 it built up quite a remarkable relationship.

7 Also, on the company's side -- on the
8 agency's side -- this was a remarkable thing, too,
9 because in effect we had a direct personal contact with
10 the pilots. These pilots would anticipate what ship
11 was coming up -- naturally, they got schedules of our
12 ships beforehand-- and usually a few days before the
13 ship was due to arrive it was not uncommon that the
14 pilot would turn up at the office and say: "Before I
15 go is there any crew mail or anything I can pick up
16 and take down?" So none of the shipping interests
17 or agents who had these special pilots -- they couldn't
18 fail to have direct personal contact and to under-
19 stand more of the pilots' individual problems than
20 was ever the case afterwards. I mean, once the
21 special pilots ceased to exist the personal contact
22 ceased to exist also, and from that point of view I
23 think it is a pity; it has taken away a personal
24 relationship that had an awful lot of value to both
25 sides. Now we deal with-- it is not quite an
26 intangible body, but . . .

27 Q. An impersonal body?

28 A. Yes -- in the form of a corporation.

29 MR. LALONDE: I wouldn't call myself
30 an impersonal body, my lord!



1 English

2 MR. BRISSET:

3 Q. While we are on this subject, Mr. Colley,
4 you have told us that you were not aware of any
5 internal trouble or dissension in the Quebec district
6 in connection with special pilots. You know, on the
7 other hand, that the corporation in the Quebec district
8 was formed the last of the four, from Kingston down,
9 and it was formed, if my memory serves me correctly,
10 at the end of 1959, or the beginning of 1960 -- May
11 1960.

12 Do you not find it strange that one of
13 the first things done by the Corporation when it came
14 into existence was to break this personal tie between
15 pilots and shipping companies in relation to special
16 pilots?

17 A. Yes, I think that is rather significant;
18 it did very quickly and efficiently sever the old
19 personal contact that we had with the pilots.

20 Q. And that was the campaign, as you will
21 recall, of Captain Rousseau, who was one of the adminis-
22 trators of the Federation and one of the administrators
23 of the Corporation?

24 A. Yes, I believe so.

25 Q. In connection with the argument contained
26 on page 61 of your brief, Mr. Colley, you make this
27 statement at the bottom of page 61:

28 "Under no circumstances can con-
29 sideration be given to reductions
30 in tariffs if earnings have sky-



English

rocketed as they did in the Quebec
District."

Have reductions in tariffs ever been suggested by the
Federation to the Department?

A. The only time this specific suggestion
came up, I would say, would be in the famous 1959
Kingston agreement when we felt that we had an agree-
ment with the pilots and the department and, based on
that, that there should be an adjustment.

Q. Was there any view expressed at any
time by the Department on it -- on the downward revision
of tariffs, as a possibility or an impossibility?

A. Yes; that view was expressed by the
Department. I recall correspondence -- a letter we had
from the Department -- either the Minister or the Deputy
Minister. Let me see if I have it.



1 English

2 A. Yes. I don't know if this was the
3 appendix -- the letter of March 25th, 1960, from the
4 Deputy Minister in which he says:

5 "It should be borne in mind, however,
6 that if the above aims are to be
7 realized, downward or upward revision
8 in tariffs must be applied when earn-
9 ings become excessive or insufficient
10 as the case may be."

11 MR. LALONDE: Appendix 50.

12 MR. BRISSET: Just a minute.

13 This letter, my lord, has already been
14 filed as part of the brief of the Shipping Federation of
15 Canada. It is dated September 14, 1960, submitted to
16 the Minister. I do not have the exhibit number at the
17 present time. I believe it is also referred to or
18 it may be the same letter in Appendix 47.

19 Q. Would you look at Appendix 47, Mr.
20 Colley, and tell us if this is the letter about which
21 you are thinking, on page 128?

22 A. Yes, that is the same letter.

23 Q. That is the same letter?

24 A. Yes, that is the same letter.

25 Q. In other words, at that time the De-
26 partment were considering the possibility of downward
27 revisions in the tariff if the tariff produced abnormal
28 results or more earnings than anticipated?

29 A. Yes, that is correct.

30 Q. In spite of this intention as expressed



1 English

2 in the Department's letter of March 25th, was there in
3 the years that followed any such downward revisions
4 even where the tariff did produce abnormal results?

5 A. None, not to my knowledge.

6 MR. LALONDE: Have you any evidence of
7 tariffs that did produce results?

8 MR. BRISSET: By results, of course,
9 I mean individual earnings in excess of what the tariff
10 was intended to produce.

11 THE WITNESS: Yes.

12 Q. I think you have given us an illustra-
13 tion of the 1959 events in the Kingston district?

14 A. That is right.

15 Q. Mr. Colley, I want you to pass on to
16 Appendix 52, on page 162 of the second volume of the
17 brief of the Shipping Federation and I simply want you
18 to identify this letter as being the letter sent by
19 the Minister to the President of the Federation in
20 relation to the demands made by the pilots of the four
21 districts at the time?

22 A. Yes, that is right.

23 Q. And a copy, I take it, was provided to
24 you by the courtesy of the Minister?

25 A. Yes.

26 MR. LALONDE: At the time.

27 THE WITNESS: At the time, yes.

28 MR. BRISSET:

29 Q. Are you at all able to tell us why at
30 that stage the Minister himself personally was becoming



1 English
2 involved?

3 A. Well, I think we had already seen in
4 respect to this particular submission from the
5 Federation of Pilots that it had been accompanied also
6 by something of a threat of a work stoppage. Presumably
7 that is why it finally ended up with the Minister.

8 MR. LALONDE: Where is that?

9 MR. BRISSET:

10 Q. Now, Mr. Colley, you indicated in your
11 brief, as the letter of the Minister just referred to
12 does indicate, that the pilots' demands were turned
13 down at that time. I would like now to pass on to
14 what actually happened to those demands which the
15 Minister himself did find excessive. Can you give
16 us a brief history of the events that followed in the
17 fall of 1960?

18 A. I think - let me just get the sequence
19 correctly here -- after the letter from the Minister
20 the Federation of Pilots was not satisfied with the
21 reply and additional pressure was brought to bear on
22 the Department in Ottawa and this led up to October,
23 and on October 7th, 1960, we received a telegram, which
24 is quoted on page 63 of our brief, indicating what the
25 Department was prepared to do in respect to the various
26 points that had been raised by the pilots; and in spite
27 of this apparently this did not satisfy the pilots
28 either.

29 Q. If I may interrupt you here. Various
30 points were dealt with by the Minister but what was left



1 English

2 in suspense was the demands for increased remuneration?

3 A. Yes. And we had made quite a strong
4 point of this with Ottawa that we did not think there
5 should be changes in basic tariff or remuneration
6 negotiated or discussed or raised during the season
7 of navigation.

8 Q. I want to stop you on this, and perhaps
9 you will be good enough to tell the Commission why you
10 felt at the time that an increase in the tariff that
11 had a tendency to produce greater earnings should not
12 be discussed or dealt with during the season?

13 A. Well, all that we had as an objective
14 there was a stable pilotage service. After the events
15 of 1959, which was a year of continual problems and
16 differences, it seemed to us that we were continually
17 facing some small crisis and we were -- I am talking
18 of the Shipping Federation, in our small committee,
19 continually travelling back and forth to Ottawa trying
20 to solve the most ridiculous problems of who should
21 pay the taxi fares and so on, and this is quite apart
22 from disrupting the normal business activities of the
23 Federation members, and there was also the diversion
24 or distraction, I should say, on the part of the pilots.
25 How could you expect that pilots could concentrate
26 on the essential function of piloting when at the
27 same time all of these small points of discussion
28 and dispute are continually coming up?

29 It was in the light of this that we
30 begged the Department to treat the matter of negotiating



1 English

2 tariff changes to the year end after the close of
3 the season, and that it should be discussed and fully
4 evolved and agreed on for the coming season so when the
5 new season began everything was cleared away. Neither
6 the pilots nor the shipping interests would have to
7 worry any more about this and they could concentrate
8 on the business of piloting ships and we on the
9 business of shipping.

10 Q.. You spoke of these trips to Ottawa by the
11 shipping interests and by the pilots. When you refer-
12 red to the pilots and the distraction that is caused
13 to them in their work, what had you in mind? If I
14 may put it differently, were you able to observe your-
15 self that in delegations of pilots to Ottawa there
16 were quite a number of them going?

17 A. Yes, that is so, but I don't see
18 how a pilot could really give his full effort to his
19 basic occupation when he is also concerned about whether
20 or not the facilities at St. Lambert Lock are sufficient-
21 ly warm or whether an allowance for a taxi is going to
22 be \$2 or \$3.

23 I think this is taking away from his
24 ability to concentrate on his prime function.

25 MR. BRISSET: My lord, may I suggest
26 that we have an adjournment at this time because I
27 would like to interrupt the evidence of Mr. Colley.
28 I have a witness who is only available this morning
29 and he comes from out of town. I would like to have
30 him heard.



1 English

2 THE CHAIRMAN: Yes. It is just about
3 the right time for an adjournment for ten minutes.

4 ---Short recess.

5 ---Upon resuming:

6 THE SECRETARY: Please give your
7 name in full.

8 THE WITNESS: Alexander S. Marshall.

9 ALEXANDER S. MARSHALL, Sworn

10 THE SECRETARY: Your occupation, please?

11 THE WITNESS: General Traffic Manager
12 of the Steel Company of Canada, Hamilton.

13 DIRECT EXAMINATION BY MR. BRISSET:

14 Q. Mr. Marshall, how long have you been
15 acting as General Traffic Manager of the Steel Company
16 of Canada?

17 A. For the last two years as head of the
18 Department.

19 Q. How long have you been with the Steel
20 Company of Canada?

21 A. Twenty-three years.

22 Q. During those years have you been for a
23 great part thereof connected with traffic?

24 A. Only the last four in Traffic. Prior
25 to that in the Financial Division of the company.

26 Q. Will you give us a brief picture of what
27
28
29
30



1 English

2 the Steel Company of Canada is; what does it manufac-
3 ture; where does it have its plants, and so forth?

4 A. The company manufactures all basic
5 steel products, such as bars, billets, and rods, and
6 also the flat-rolled group of products such as plates,
7 sheets, galvanized sheets, tinplate and a good many
8 finished products of every kind of wire and products
9 made of wire such as nails, screws and bolts; and
10 the headquarters of the company is in Hamilton, Ontario,
11 where there are five manufacturing plants including
12 the basic steel mills. There are four finishing
13 mills in the Province of Quebec and there are four
14 other finishing mills in the Province of Ontario
15 and two finishing mills in Western Canada, including
16 one which as well as being a finishing mill is primary
17 to the extent it melts scrap and makes parts right
18 from the start.

19 Q. To give us an idea of the scope of
20 your manufacturing capacity, would you tell us in
21 rough numbers how many employees across Canada the
22 Steel Company of Canada has in its employment at the
23 present time?

24 A. The total number would be -- I haven't
25 seen the exact figure recently, but I would say in
26 excess of eighteen thousand employees.

27 Q. How many of those would be located
28 where the company has its main plants in Hamilton, just
29 to give us an idea of the scope of the enterprise in
30 and around Hamilton?



1 English

2 A. There would be, I would say, approximate-
3 ly fourteen thousand in the Hamilton area.

4 Q. And the others would be spread in the
5 other locations that you have mentioned earlier?

6 A. Yes. I may be a little -- I am either
7 a little high on the Hamilton and not quite high enough
8 on the grand total number.

9 Q. However, you have given us a picture
10 that would be sufficient for our purposes.

11 Now, at the present time where does
12 the company obtain its primary material like iron ore
13 and coal?

14 A. All of our coal comes from the United
15 States, from Pennsylvania and West Virginia. The iron
16 ore comes from the Mesabi range. Most of it comes
17 from the Mesabi range, which is south of Lake Superior
18 with -- oh -- approximately twenty per cent coming from
19 a mine about forty miles from Hull, Quebec.

20 Q. In the years to come what is the
21 forecast with respect to the procurement of a primary
22 material such as iron ore?

23 A. Well, the company has something better
24 than a 20 per cent interest in the Wabash Iron Company
25 which is located partly in Quebec and partly in
26 Labrador and it is estimated that by the season of
27 1965 that this mine will start delivering iron ore
28 at which time approximately, I think, about forty
29 per cent of our total requirements will come from there.

30 Q. Will you just give us a very rough



1 English

2 figure of the expected tonnage removed to Hamilton
3 from downriver?

4 A. Yes. In the whole season, and provided
5 that business continues at its present level or better,
6 there should be upwards of one million tons in a season.

7 Q. Is that a figure that is likely to
8 increase so far as procuring your primary material is
9 concerned?

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1 English.

2 A. Yes; it should increase partly because
3 of the gradual expiration of the iron ore deposits in
4 the Lake Superior area and partly because if the pattern
5 of the past continues the size of our operation should
6 expand. Certainly it is the company's intention to
7 continue to expand the quantities of iron ore coming
8 from that area.

9 Q. I take it, Mr. Marshall, that this
10 primary product, the iron ore, is intended to be moved
11 by water through the St. Lawrence route and the St.
12 Lawrence Seaway from Labrador and Quebec to Hamilton?

13 A. Yes.

14 Q. What about your finished product, steel
15 and all commodities that you manufacture; do you export
16 at the present time any sizeable volume?

17 A. Yes; approximately 7% of our total
18 sales would represent exports.

19 Q. These exports would go where? Briefly,
20 could you give us just an outline of the destination of
21 these exports?

22 A. Well, there are a great many of them --
23 the United Kingdom, South America, Australia, the Middle
24 East, India. There are approximately one hundred
25 countries altogether. The larger volumes would be
26 the United Kingdom and South America. All the others
27 would make up about an equal part, I would say.

28 Q. Are these finished products during the
29 navigation season shipped out of Hamilton?

30 A. To the greatest extent possible, yes.



1 English

2 Q. And in the winter where are these
3 products shipped from -- by water, I mean, overseas?

4 A. Well, again to the greatest extent
5 possible through the eastern Canadian ports of St. John
6 and Halifax.

7 Q. What are the usual terms of carriage?
8 What I am driving at is, are you chartering vessels
9 or shipping on liner terms or voyage charters or what?

10 A. Primarily more on liner terms than
11 by any other means, but we do have some part charters..
12 The vessel charters would be a small amount of the total
13 and not our customary method.

14 Q. Do you also export through American, or
15 U.S. eastern ports?

16 A. Yes; almost exclusively New York.

17 Q. In your decision to ship your exports
18 via New York, which will entail a rail haul from
19 Hamilton as compared to shipping by water via Hamilton,
20 are there factors that enter into consideration in your
21 final decision to choose one or the other method of
22 transportation?

23 A. Well, yes. Generally speaking New
24 York is used as a matter of improving our delivery
25 service. However, to the greatest extent possible
26 we try not to, as I would put it, buy time in this way
27 because it is quite expensive to do so.

28 Q. In considering your decision to ship
29 through New York or through Hamilton by water what
30 are the factors that enter into consideration?



1 English

2 Before you answer this question, let me ask
3 you another one. From a point of view of competition
4 what would you have to say with regard to the exporting
5 of steel products? Is that a competitive field?

6 A. Yes, it is a highly competitive field.
7 The steel industry, particularly on the continent of
8 Europe including the U.K. and Japan, they have very
9 modern steel mills. Their wage rates generally are
10 considerably lower than the North American wage rates,
11 and they have been in the world markets probably longer
12 than we have -- certainly that would apply to Canada --
13 in the steel products. So it was quite a challenging
14 experience to break into the steel market in any volume
15 and certainly a difficult and contentious one to stay
16 there.

17 Q. When you say this in regard to com-
18 petition on foreign markets, so that we can have an
19 idea of what this competition is like, can you tell
20 us whether it is a matter of cents or is there a big
21 spread?

22 A. I do not think I understand the question.

23 Q. What I want to get at is, how close is
24 your margin of operation when you want to compete on
25 foreign markets to export steel?

26 A. Well, it is hard to answer the question
27 in just those terms. Generally speaking it is
28 necessary to meet the market price, whatever it is,
29 in order to sell our products.

30 Generally speaking -- well, I think without



1 English

2 exception we sell at a lower profit margin in export
3 markets in order to stay in the market. This is
4 something that changes from year to year or from time
5 to time. Fortunately under today's conditions the
6 steel industry is quite healthy, so as far as our
7 company is concerned we would not accept what I would
8 term as unprofitable business. But there have been
9 times in the past when we have accepted strictly
10 speaking marginal or unprofitable business in order to
11 keep our volume up.

12 Q. What would be the purpose of your
13 accepting what you call an unprofitable export sale at any
14 given time?

15 A. The steel industry is characterized by
16 very heavy capital investment and I would say a
17 comparatively highly skilled staff of employees, so in
18 order to help pay -- I will not say overhead; well,
19 in order to help cover overhead and in order to maintain
20 the skilled staff, those would be conditions under which
21 we would accept marginal orders in the export market
22 if necessary, in order to keep the mills going at a
23 reasonable rate.

24 Q. In other words, what I am driving at
25 is that in some of these export sales the profit, I take
26 it, can be very low, if there is any profit at all?

27 A. That is correct. That would not be
28 specifically true of 1964 because of the fact that our
29 mills are going at such a high rate anyway. But there
30 have been times for our company when that has been true --



1 English

2 and this is not in the too distant past.

3 It is my opinion -- but I would not want to
4 try and prove it -- that there are probably parts of
5 our industry in Canada that are perhaps still in that
6 position.

7 Q. I am coming back to the question I asked
8 you perhaps out of place, and it is this one. You
9 are faced insofar as your export shipments are concerned
10 with the decision of either shipping through New York,
11 gaining time but incurring extra expenses because of
12 the rail hauls, or shipping through Hamilton, losing
13 time but gaining on the costs; is that correct?

14 A. That is correct.

15 Q. Can you develop this for us and explain
16 when the balance will be reached? To pursue this
17 line of thought, let me ask you this question. Let
18 us suppose that the cost via New York would be the same
19 as the cost via Hamilton; which of the two would you
20 choose?

21 A. Well, of course, all other things aside
22 we would probably choose New York because of the
23 improved service.

24 COMMISSIONER SMITH: Excuse me. Mr. Brisset;
25 may I interrupt for a moment?

26 MR. BRISSET: Yes.

27 COMMISSIONER SMITH: Mr. Marshall, would
28 the frequency of the sailings from New York be the
29 controlling factor in your shipments of steel products
30 through that port?



1 English

2 THE WITNESS: Well, no -- well, it
3 would be in some cases, yes, the frequency of the
4 sailings and the fact that it is a shorter elapsed time
5 to ship through New York because of the fact that the
6 rail haul to New York takes a shorter time than the sea
7 voyage from Hamilton. This would be more true of
8 some areas of the world than others. But there are
9 those two factors, both the frequency and the elapsed
10 time.

11 MR. BRISSET: Q. To summarize this, if
12 you shipped through New York you have a higher cost
13 and you save time; to ship through the Seaway I repeat
14 you have a lesser cost but a longer time?

15 A. Yes.

16 Q. When you have to decide on a shipment
17 do you look into these two propositions?

18 A. Yes; we look very carefully at the two
19 propositions because of the extra cost involved.

20 Q. Where will you reach a balance of time
21 against cost where you would feel that New York would
22 suit your purpose better? Can you develop this for
23 us?

24 A. Not too well, because the pressure for
25 improved service varies from different customers and
26 different parts of the world. It is very difficult
27 to say where you have reached the point of balance.
28 I would say that with our customers we resist trying to
29 commit ourselves to ship through New York almost at
30 any time. I do not think I can pinpoint the price



1 English

2 range that would determine one or the other.

3 Q. However the price range would have some
4 bearing, would it not?

5 A. Yes.

6 Q. Are you aware of the pilotage dues
7 that have to be paid, of course, for a movement through
8 the St. Lawrence?

9 A. Yes.

10 Q. In your opinion would you consider that
11 the cost of pilotage would be one of the factors that
12 would influence your decision one way or the other?

13 A. Well, I think since a freight rate is
14 made up of a great many individual items, it is very
15 difficult to say which is the critical item or which is
16 the straw that breaks the camel's back; but every part
17 of the freight rate would be of significance.

18 Q. Have you in your studies of transport-
19 ation costs ever made a detailed analysis to pick up
20 the various items that are a component of the freight
21 rates and determine the importance of each?

22 A. In some detail, yes, probably con-
23 centrating more on the items that we would consider
24 controllable by ourselves and the items that we would not
25 consider controllable.

26 Q. Is the item of the pilotage one that
27 you consider controllable by yourselves?

28 A. No, I would not consider that
29 controllable.

30 Q. Mr. Marshall, is there any other point



1 English

2 which insofar as your specific industry is concerned
3 you would like to bring up before this Commission that
4 looks into pilotage?

5 A. Well, I do not know whether you are
6 asking me for a general opinion.

7 Q. Yes, a general opinion.

8 A. I certainly have one. I would offer
9 this opinion as a representative of our industry, but
10 I think I would also offer it as a citizen of this
11 country. It is to the effect that our general
12 standard of living in Canada is so dependent on anything
13 that has to do with world trade that certainly it
14 behooves us to do everything in our power to facilitate
15 world trade. As far as my company, as far as my
16 department is concerned, that means doing everything in
17 our power to make the cost of transportation as
18 reasonable as possible to world markets.

19 I could perhaps give you a couple of examples
20 of things that we have tried to do. Perhaps one example
21 is the efforts that have been made -- and we do not know
22 the answer to this yet -- as regards the question of
23 canal tolls. Another example is within the Harbour
24 of Hamilton we have done everything within our power to
25 reduce the cost of harbour charges. This is perhaps
26 carrying things a bit too far, but we are currently
27 engaged in an effort to try to forestall an increase
28 in cargo charges within the port of Hamilton, which
29 only amounts to a cent and a quarter a ton.
30



1 English

2 But, well, I can't say it is a cent and a quarter a
3 ton because it varies according to commodity; but on the
4 lowest rated commodity it amounts to a cent and a
5 quarter a ton; so I give you this as an example, that so
6 far as my company is concerned really no item is too
7 small to be ignored in the general philosophy of
8 trying to keep our costs of meeting world market con-
9 ditions as low as possible.

10 Q. If I understand you correctly, the
11 authorities in the harbour of Hamilton are proposing
12 to make a charge, or increase a charge, by way of
13 cargo dues, which would put an additional levy on
14 cargo shipped in and out of Hamilton?

15 A. Yes.

16 Q. Of a cent and three-quarters a ton.

17 A. Well, it varies according to their
18 tariff of cargo rates, but on the lowest rated accommo-
19 dity it would be a cent and a quarter -- their proposed
20 increase of a cent and a quarter per ton -- and I think
21 that would apply to iron ore shipped inbound, of
22 course.

23 Q. And what would it be on finished steel
24 products outbound?

25 A. I don't recall offhand, but it is a
26 fractional amount of money; perhaps two cents, or
27 something of that order.

28 Q. And that is why you have given us a
29 rough figure of a cent and three-quarters?

30 A. Yes.



1 English

2 Q. As an average?

3 A. Well, I don't know; I don't want to
4 say that I have picked the figure out of the air, and
5 I didn't intend to give it as an average because it has
6 not been calculated; but the cent and a quarter is,
7 I think, the figure I used; and that would be the
8 effect on iron ore cargoes. But the effect on out-
9 going commodities would also be very small in propor-
10 tion.

11 If I had the tariffs here I could
12 calculate it quite easily, but I don't have it.

13 Q. So that we may understand the impact
14 of a cent and a quarter on a ton of iron ore, can you
15 tell us in a general way how many tons of iron ore
16 will go into a ton of finished steel? What propor-
17 tion are we faced with here?

18 A. I think it would be two to one - two
19 tons of iron ore; but this is another factor which
20 varies very considerably, because steel is a matter
21 of mixing iron, which is produced from iron ore and
22 scrap, and the proportion can fluctuate considerably.
23 It depends on the cost of the two materials. But I
24 would put it at two to one.

25 Q. That would be the proper ratio for
26 the purpose of our discussion?

27 A. Yes.

28 Q. Now, since you are fighting this
29 additional levy of a cent and a quarter per ton I
30 take it that a charge as low as a cent and a quarter a



1 English

2 ton is material so far as your export trade is con-
3 cerned?

4 A. I would say so, yes.

5 Q. What about domestic cargo? Do you
6 sail, or do you carry domestic cargo via water?

7 A. Yes; we ship from Montreal inbound to
8 the central part and to Western Canada through the
9 lakehead; and we ship from Hamilton in both directions
10 via Canadian Package Freight.

11 Q. So there is a proportion of your
12 domestic finished product that moves by water via the
13 St. Lawrence Seaway route?

14 A. Yes.

15 Q. Can you give us an idea of what the
16 proportion might be in relation to total production?

17 A. It would be comparatively smaller; it
18 wouldn't be as large as our export tonnage. If I
19 quoted the percentage I would just be guessing.

20 Q. All right; let us leave it at that.

21 COMMISSIONER RENWICK: If I might
22 interrupt, I would ask Mr. Marshall -- and if it is
23 not confidential - what are we thinking of in terms of
24 tonnage. Seven per cent of their production is
25 export. Mr. Marshall may not wish to disclose what
26 this seven per cent is. I don't know the company's
27 policy.

28 THE WITNESS: Well, if I may speak
29 in very round figures, it isn't particularly -- it is
30 confidential in detail -- but our export tonnage -- and



1 English)

2 when I say that I mean export tonnage effected by
3 water shipment, and that is excluding shipments to
4 the United States -- it would be in excess of 100,000
5 tons in a year.

6 MR. BISSET:

7 Q. But the primary product, namely iron
8 ore, once your Wabash development permits shipments
9 and the Mesabi Range ore is no longer available, the
10 primary product will be moved by water practically one
11 hundred per cent of your primary product?

12 A. Well, that would be my opinion; but
13 it will take several years before we reach that one
14 hundred per cent position.

15 Q. Can you give us, again in rough figures
16 so that we may know what we are talking about, how many
17 tons of iron ore are used in your Hamilton facilities
18 for the annual production of steel, so that we may
19 have an idea of what is involved?

20 A. It would be between two and a half
21 and three million tons of iron ore.

22 Q. That is on the basis of the present
23 production?

24 A. Yes.

25 Q. And you foresee, I take it from your
26 previous evidence, an increase in that production and
27 therefore an increase is needed for the primary material?

28 A. Yes.

29 Q. In the years to come?

30 A. Yes.



1 English

2 Q. Have you made any prognostications of
3 for the future, say in five years from now, or do you
4 expect your needs for the primary product will be
5 all iron ore?

6 A. No; the company not too long ago pro-
7 duced an estimate of five million tons of steel pro-
8 duct by 1980. I think this was in the submission
9 to the Gordon Commission.

10 We are a little bit ahead of the
11 programme necessary to reach that, as production was
12 three and a half millions in 1963. It is something
13 of that scale, provided the market is available, of
14 course.

15 Q. When you say five million tons of
16 steel in 1980, am I right in assuming that that this
17 means moving ten million tons of iron ore -- to give
18 a rough figure again, and using your two to one pro-
19 portion?

20 A. Well, I am afraid I have, perhaps,
21 not been correct in the proportion, and when I think
22 of all the relative figures I think I have misin-
23 terpreted the weight of the scrap used in the estimates.
24 It would be in those proportions providing we were
25 using the high percentage of iron ore in the mix.

26 Q. And less of the scrap?

27 A. Yes; and, of course, as time goes on
28 I think that will probably turn out to be the case,
29 because scrap is getting harder to get as time goes
30 on.



1 English

2 Q. At the present time how does scrap
3 come to your mills? Does it come by water or land?

4 A. Primarily by land. We do use water
5 transport to a certain extent, but this would be within
6 the Great Lakes area.

7 Q. Do you import scrap at all from overseas
8 at the moment?

9 A. No, we do not.

10 Q. Do you foresee the possibility?

11 A. There is always a possibility. I am
12 not too familiar with the scrap market, but as I under-
13 stand it the pattern hasn't been that way -- that
14 scrap has tended to be exported to Canada.

15 Q. Rather than imported?

16 A. Rather than imported.

17 COMMISSIONER SMITH: I haven't got the
18 Hamilton tariff before me and I don't remember what the
19 pilotage dues are there, but my question is this: Could
20 you tell the Commission what the incidence of pilotage
21 is on a ton of ore, or any of the finished steel pro-
22 ducts that have to pay this impost in Hamilton harbour?
23 Has this been figured out?

24 THE WITNESS: I am afraid it has not.
25 That is, the pilotage charges into the port of Hamilton
26 are charges that the company would not pay correctly.
27 We haven't ever calculated them. To the best of my
28 knowledge the makers do not pay any pilots because
29 they bring their own ships into the port.

30 So I am afraid I just have to say I



1 English

2 don't know on that.

3 MR. BRISSET:

4 Q. In other words the pilotage in this
5 case is part of the freight charges which you have to
6 pay to move your cargoes?

7 A. That is right.

8 MR. LALONDER: If there is any.

9 THE CHAIRMAN: Are you through, Mr.
10 Brisset?

11 MR. BRISSET: Yes.

12 CROSS-EXAMINATION BY MR. LALONDE:
13

14 Q. You stated that by 1965 ~~onforty~~
15 per cent of your iron ore will be coming from the North
16 Shore. Is this trend going to be maintained for
17 several years, or are you going to switch to the one
18 hundred per cent at the North Shore in the near
19 future?

20 A. Well, the company will continue to have
21 an interest in the Mesabi area. Some of the mines
22 are gradually becoming exhausted, and that will account
23 for some of this change. Economics are the factor;
24 and the company has said in a general way that it would
25 like to bring its iron ore sources within Canada to
26 the greatest extent possible.

27 Q. And the ships which would be used to
28 transport iron ore from the North Shore would be large
29 upper-lakers, I suppose, in the category of 25,000
30 tons?



1 English

2 A. Generally speaking, yes. I would
3 expect this.

4 Q. And your next figure of about one
5 million tons?

6 A. Yes.

7 Q. That would be about forty voyages, I
8 presume, of these large ships?

9 A. Yes.

10 Q. You stated that in some instances you
11 were shipping through New York, especially for the
12 purpose of customers who have production delays. Is
13 that a correct statement?

14 A. Yes.

15 Q. Have you ever calculated the differen-
16 tial, in terms of cost, from steel to the finished
17 product, if you were to ship it through New York and
18 ship it through the lakes and the St. Lawrence River,
19 with destination, say, in the United States?

20 A. Yes, we have calculated it. This is
21 usually done on the individual shipment; and, of course,
22 the factor of difference there, in a great many cases --
23 let us say the typical difference may be five or six
24 dollars a ton, or something of that order.

25 Q. That is in total freight - in freight
26 rates between New York and shipping via Canada?

27 A. Yes.

28 Q. Up to five and six dollars a ton?

29 A. Yes.

30 MR. BRISSET: Is that maximum or



1 English

2 minimum, or average?

3 THE WITNESS: At present I think it
4 would be maximum. There are indications that it is
5 going to be narrower -- the margin will be narrower --
6 in the future; but I use the word "typical" and thinking
7 of the past that is true.

8 MR. LALONDE:

9 Q. And what would make the margin narrower
10 in the future?

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1 English

2 A. Well, increased freight rates from the
3 port of Hamilton would be a factor.

4 Q. Increased shipping freight rates?

5 A. Yes.

6 Q. You foresee such increases in the near
7 future?

8 A. Yes.

9 Q. Have you experienced any such increases
10 lately?

11 A. Well, there have been -- not -- I will
12 have to -- my memory is a little bit vague on this
13 because we are now -- at the present time we are not
14 shipping out of Hamilton obviously. Navigation is
15 closed.

16 Q. Yes.

17 A. I am not sure whether there were any
18 increases before the end of the last season or not.
19 There have been some increases in other rates that led
20 me to believe there might be some increases in the next
21 few years.

22 Q. You have not heard about the state of
23 freight rates for the coming year?

24 A. Not specifically Hamilton, ex Hamilton
25 freight rates, no.

26 Q. Have you heard of freight rates
27 generally, not out of Hamilton?

28 A. Yes. It would seem that increases in
29 that -- certainly there have been some freight rate
30 increases announced within the last couple of months.



1 English

2 Q. Have you calculated approximately the
3 percenatge increases in those freight rates?

4 A. It is really too general a question
5 to answer. One I can think of, I think, was in
6 the neighbourhood of 10%.

7 Q. You do not remember whether you had
8 increases last year around the fall or around July, for
9 instance?

10 A. I don't want to say that we didn't
11 but I don't recall.

12 Q. When you state that you expect increases
13 in freight rates on the river in the next few years,
14 and that the margins between New York and the Lakes
15 would be narrower, are you assuming stable prices,
16 stable rates on the American Railways and in the port
17 of New York?

18 A. Well, yes, I guess I am assuming that.

19 Q. Would you say that this is really a
20 bit presumptuous in the light of past experience?

21 A. No, I don't think so. I am not
22 talking about a five year period. I am talking of the
23 near future.

24 Q. Are you talking about next year?

25 A. Next year is about as far ahead as you
26 can look in such matters, I think.

27 Q. So that the \$5 or \$6 margin of which
28 you spoke before might be, you think, a little bit
29 narrower next year but you wouldn't be in a position
30 to state how it could be the year after?



1 English

2 A. No. There are too many changeable
3 factors.

4 Q. How much narrower could it be next year,
5 have you any idea?

6 A No. As I said each individual case
7 is different and there are so many factors affected, I
8 would just be guessing if I mentioned --.

9 Q. You stated certain instances in the past
10 where you had, I think, used the word marginal or un-
11 profitable business. I have been taught in economics
12 what is the difference between unprofitable and marginal
13 and if you were saving part of the cost, that would be as
14 far as you could go, you would still be making money?

15 A. Well, I think I could explain it this way
16 that when you have a certain permanent or continuing
17 overhead charges but at times it becomes --

18 Q. Still paying to run --

19 A. -- still helping to maintain your level
20 of operations even if it may not provide any profit
21 as such.

22 Q. You are operating at a marginal cost?

23 A. That is right. Well, I don't want to
24 create the impression that I said the steel industry --
25 for our company was operating at marginal costs at the
26 time. All I intended to convey was that the export
27 business that we are doing was taken on at a marginal
28 cost.

29 Q. When you made an analysis of the costs
30 involved for freight rates, which items did you analyse?



1 English

2 Did you analyse items which can be controlled more?

3 A. Well, we would have to start from our
4 own shipping base. We would be concerned with the cost
5 of cartage from the plants to the docks. We would be
6 concerned with the cost of unloading there, the
7 stevedoring. We would be concerned with the cost of
8 terminal charges to the extent they were controllable.
9 We would be concerned with freight rates, of course.
10 That is certainly our trade.

11 Q. You would in all cases pay the
12 stevedores costs?

13 A. No, sir but in some cases we could and
14 others we would not but when you have a choice of terms,
15 let us say, F.I.O. terms and vice versa, then it
16 becomes an item in your comparison.

17 Q Yes. Is this cost paid by the person
18 who is buying the steel or is it included in the
19 general freight rates for shipping or what?

20 A. It would depend on the terms of sale
21 more than anything else. Our terms of sale are C.I.F.
22 or C and F., so that generally speaking either in the
23 freight rate or as an item of F.I.O. costs we would bear.
24 The stevedoring would be paid generally speaking by
25 ourselves rather than by the customer.

26 Q. Obviously as far as your cost to the
27 buyer, all these would enter into account, at least
28 the freight rates and all the transportation costs from
29 the firm to the ship itself?

30 A. Yes.



English

Q. From your end, this would be considered a general shipping charge from the firm to the buyer in England or elsewhere?

A. Yes. Our domestic selling price for major steel products are f.o.b. our own plant so that that plus the cost of moving the material would roughly be the calculation.

MR. JACQUES: The export price of your product.

THE WITNESS: Export price, f.o.b. our mill would always be taken into consideration plus the cost of getting it there.

MR. JACQUES: That is your export price?

THE WITNESS: Yes.

MR. JACQUES: Therefore your export price is affected by the freight rates?

THE WITNESS: Well, I had better -- our export business is conducted, as I said, generally on a C.I.F. basis which means that we quote a price and we agree to pay for freight and insurance.

While the price element would be our f.o.b. mill export price, it would not necessarily correspond with our domestic price for the same item, and then added to that on any calculation would be the cost of freight and insurance. I don't know whether that has clarified it or not.

MR. JACQUES: The cost of freight would affect your international position?

THE WITNESS: Yes, certainly.



1 English

2 MR. LALONDE: Q. In your calculation of
3 that cost you enter all the transportation costs?

4 A. That is correct.
5 CROSS-EXAMINATION BY MR. LANGLOIS:

6 Q. Mr. Marshall, let us clear up a point.
7 I understood you to say, correct me if I am wrong, that
8 the steel business was healthy enough to dispense with
9 non-profitable sales. Is that what you said?

10 A. No. I think perhaps I know the reason
11 for the question. I think certainly what I intended
12 to convey is that under today's conditions when our
13 business, the domestic business is very good we would
14 not accept what I call either marginal or non-profitable
15 export business. So our export sales today would be
16 more profitable than they were say in 1960, which is
17 the year that comes to my mind when conditions in the
18 industry were different.

19 Q. Now, is it not a fact that these
20 marginal sales are not restricted to the steel industry
21 but other industries have to resort to such sales to
22 maintain, you said, the producing costly investments and
23 to keep highly qualified personnel on their staff?

24 A. I am sure the same applies to other
25 industries.

26 Q. Is it not also a fact that the industry
27 has to resort to these marginal sales even in a domestic
28 market at times?

29 A. Yes, I suppose so. Speaking for our
30 company, I don't think -- that has not been true in
recent years but I am sure there has been periods when



1 English

2 it was true in industry. I presume it is true in other
3 industries even today, perhaps. I don't know.

4 Q. Is it your knowledge that even the trans-
5 portation industry and I am not excluding the water
6 transportation, have resorted to this kind of marginal
7 operation for the same reason?

8 A. Well, it is part of my profession to
9 believe that they never do but I can appreciate that is
10 perhaps -- they probably do on occasion.

11 Q. Now, you mentioned, Mr. Marshall, that
12 you have four mills in the province of Quebec?

13 A. Yes.

14 Q. Would you mind telling us where they
15 are located?

16 A. Yes, three are in the immediate Montreal
17 area and one is at Contrecoeur.

18 Q. Have you any interest in the Sorel steel
19 industry?

20 A. No.

21 Q. Now, the export sales of which you speak,
22 where are they made from? Are some of those sales made
23 from the Quebec producing mills?

24 A. Yes. That would be a very small
25 proportion because of the nature of our export business.
26 The other Canadian finishing mills would also represent
27 quite a small proportion of the total.

28 Q. Could they not be made from your Quebec
29 mills in order to avoid these delays in shipments through
30 the Seaway and these costs that you speak of, your



1 English

2 transportation costs and the ingredients going into
3 your transportation costs?

4 A. Well, they could be if the facilities were
5 here to produce the type of goods that make up the bulk
6 of our export sales. That is not the case.

7 Q. But is it not your general policy to
8 ship from these mills which are closer to your market?

9 A. Yes, that is true but it doesn't always
10 occur. To give you another example we export products
11 from Montreal to the Detroit area, for example, even
12 although some of the other finishing mills in Ontario
13 might be able to produce the same goods -- would be
14 able to produce the same goods but the main reason I give
15 you for the small percentage of overseas emanating from
16 the province of Quebec is that the bulk of our tonnage
17 for export are produced -- are in the flat rolled
18 product area and we only have one flat rolled product
19 producing point and that is in our basic mill at
20 Hamilton.

21 Q. When you mention, sir, that you
22 anticipated that by 1965 40% of your iron ore would
23 be coming from the province of Quebec, what proportion
24 of this 40% would be going to your Quebec mills?

25 A. None of it. We don't consume any iron
26 ore in the province of Quebec.

27 Q. Have you any future prospects in your
28 development to ship some of this to Quebec mills?

29 A. You would have to ask that question of the
30 President of our company. I have no information



1 English
2 on the subject.

3 Q. You seem, sir, to have made an extensive
4 study on transportation costs. Would you mind telling
5 us what has been the trend in the last five years in
6 transportation costs by rail from Hamilton to the port
7 of New York?

8 A. Well, I can't answer that specifically
9 without going into that. I would assume there had
10 been some increase but I am not sure.

11 Q. If I tell you that the trend has been
12 constantly upwards, would that be too far from the truth?

13 A. Probably so, yes. Certainly there have
14 been cost increases.

15 Q. Have you made any comparison between this
16 trend in transportation costs by rail from Hamilton to
17 New York as compared to your transportation costs by
18 the Seaway by water routes for the last five years?

19 A. No, I don't -- At least, we have dealt
20 with this problem over that period, I would say. I
21 haven't any direct comparison, statistical comparison.

22 Q. Has not the opening of the Seaway to
23 bigger and larger ocean vessels resulted in a decrease
24 in the transportation cost through the St. Lawrence route?

25 A. Well, it has certainly reduced the cost
26 of transportation from Hamilton to the export market,
27 yes.

28 Q. So it is a fact that the trend in the
29 transporation costs via the St. Lawrence water route
30 has been opposite to that via Hamilton and New York or



1 English

2 from Hamilton via New York by rail in the last 5 years?

3 A. Well, the trend is -- I don't know
4 whether "trend" is the right word when you are talking
5 about an event such as the completion of the Seaway
6 but the construction of the Seaway certainly has been
7 an assisting factor in the export market.

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1 English

2 Q. Is it not also a fact, sir, that since
3 the larger ships, also faster ocean ships, have been
4 using the St. Lawrence route you may reasonably expect
5 faster shipments from your Ontario plants to the St.
6 Lawrence route?

7 A. Well, to some extent that would be
8 true, but the speed of the vessel, of course, is only
9 one factor in the whole lapse of time.

10 Q. One last question, sir: Are your
11 shipments by water made in the main to conference or
12 nonconference lines?

13 A. More by conference lines than by non-
14 conference lines; but certainly not exclusively.

15 Q. Has the advent of the extension of
16 navigation in the St. Lawrence contributed to lowering
17 your transportation cost now that you can ship via
18 Montreal instead of by Eastern Canadian maritime
19 seaports?

20 A. I think the ability to ship directly
21 from the port of Hamilton is the main factor in this
22 area. In other words, transshipment at Montreal does
23 not have the same advantage of direct shipment from
24 Hamilton.

25 Q. Have you experienced shipments through
26 the St. Lawrence in the winter season?

27 A. Well, yes; not to a large extent. You
28 mean, the port of Quebec, for example?

29 A. Yes.

30 A. Yes; we have shipped through the port of



1 English

2 Quebec.

3 Q. What is the comparison, then, between
4 your cost via Quebec as compared with your cost via
5 maritime seaports?

6 A. I am afraid I do not know. This was
7 a comparatively small shipment and it was just one.

8 Q. Only one shipment?

9 A. One item.

10 CROSS-EXAMINATION BY MR. JACQUES:

11
12 Q. How significant is the difference of one
13 cent in the world market?

14 MR. LANGLOIS: On what - a ton of
15 steel?

16 MR. JACQUES:

17 Q. On a ton of steel?

18 A. Well, one cent would not make a sig-
19 nificant figure in the cost of a ton of steel.

20 Q. What figure would become significant?

21 A. Well, the figure, whatever it is, that
22 either loses you the business or gets you the business.

23 Q. That is why the figure is significant,
24 just because it does that; but in actual number of
25 cents what would you say as to the number of cents
26 which would have that result?

27 A. I am afraid I cannot answer that.
28 Someone else might, but, as I said, you never know which
29 is the straw which breaks the camel's back.

30 There are two general comments I might



1 English

2 make. I think I mentioned before that you meet the
3 market in pricing steel exports. This is not always
4 the case. In some cases you tender on specific
5 contracts, in which case, I suppose, any difference in
6 cost would be significant in a tender type of bidding.

7 MR. JACQUES: I see. Thank you.

8 MR. LALONDE: Do you have a difference
9 in cost of freight rates if you ship by conference
10 lines as compared to non-conference lines?

11 THE WITNESS: I do not know whether I
12 can generalize on that. It is very hard to generalize
13 on a question like that; it is not from reluctance to
14 answer the question. But if one is a member of a
15 conference there are not very many areas to which --
16 in other words, you have to make rather long-range
17 decisions as between a conference or non-conference.
18 There is one important exception to that, and I do not
19 know whether it is perhaps a confidential arrangement
20 between the steel industry and the lines that gives us
21 some flexibility.

22 RE-CROSS-EXAMINATION BY MR. LANGLOIS:

23
24 Q. Mr. Marshall, is it not a fact that
25 dealing with non-conference lines might give you a
26 little bit more elbow room to go shopping about for
27 your transportation?

28 A. Well, in certain areas of the world we
29 are parties to a conference and in certain areas of the
30 world we are not parties to them. In the cases where



1 English

2 we are we have come to the conclusion that that is
3 the best way to do business. In the cases where we
4 are not we have come to the opposite conclusion.
5 What the factors were in each case, I cannot say, but
6 obviously you have more flexibility if you are not
7 committed to a contract.

8 Q. That is exactly the position.

9 There is one question that I forgot;
10 it has just come to my mind. In dealing with the
11 shipments via the Port of New York, do you get the
12 same advantage that you can get shipping from
13 Hamilton via rail and route from Hamilton to, say,
14 Quebec and on by water, in taking advantage of these
15 agreed charges from the rail companies?

16 A. Would you ask the question again?

17 Q. Let me put it this way: Are you getting
18 the same agreed charges from the American railways
19 as you are getting from the Canadian railways?

20 A. No; there are no agreed charges to
21 the best of my knowledge in the United States tariffs.

22 Q. That is another advantage that you have
23 in shipping through Canadian facilities?

24 A. I do not know if I would say yes to
25 that either, because I do not recall that agreed
26 charges are applicable to our export shipments in any
27 event in Canada. Most of our rail transportation to
28 the Eastern Canadian ports -- and that is basically what
29 we are talking about -- is not shipped under any agreed
30 charges. It is shipped under an open tariff freight



1 English

2 rate.

3 Q. Are you shipping on a through bill of
4 lading from Hamilton to the port of destination in the
5 U.K., for example?

6 A. No.

7 Q. But you could?

8 A. Well, we could and I think we do in
9 some circumstances.

10 I might be able to give you a better
11 answer if I understood the purpose of the question;
12 that is the best I can do.

13 THE CHAIRMAN: I have one question,
14 which might be obvious, but it is on account of some
15 other evidence we have in another field of exports.

16 Are your exports full cargo or part
17 cargo when they go by sea from Hamilton?

18 THE WITNESS: My lord, they would be
19 in almost every case part cargoes.

20 THE CHAIRMAN: Are there any further
21 questions of Mr. Marshall?

22 MR. BRISSET: No, My Lord.

23 THE CHAIRMAN: Well, we have finished
24 just in time. Thank you very much, Mr. Marshall.

25 ---The witness withdrew.
26

27 THE CHAIRMAN: We will adjourn until
28 two-thirty this afternoon.

29 ---Luncheon adjournment.
30



English

H. COLLEY, recalled

EXAMINATION BY MR. BRISSET:

Q. Mr. Colley, I want to go back to Appendix 49 in the second volume of the brief of the Shipping Federation at page 138, which was the booklet which was printed and issued, as you have explained in your previous evidence, in the spring of 1960.

In this regard, Mr. Colley, you have become aware no doubt since this Commission commenced its sittings that the pilots in various press interviews, as appears from Exhibit 766, have qualified this little piece of literature on your part as a revolting one inspired by the Shipping Federation itself dominated by foreign shipowners and as containing falsities. In the light of this in your subsequent experience in negotiations with the pilots have you formed any opinion of what could have been the cause of this reaction on the part of the pilots?

A. Yes.

MR. LALONDE: I object, My Lord. That is purely hypothetical. I think this question should be asked of the pilots.

THE CHAIRMAN: Yes, but I think the question should be allowed just to see what he thinks of this, to see their reactions. This would be very good to find out their reaction to that.



1 English

2 MR. LALONDE: If I understood the question
3 well, it was, what were the causes of the reactions
4 of the pilots.

5 MR. BRISSET: Yes, from what he could
6 observe himself in subsequent negotiations.

7 THE CHAIRMAN: Wrongly or rightly.

8 MR. LALONDE: When did he meet the pilots
9 after this was published then?

10 MR. BRISSET: Q. In the three years or two
11 years that followed, say?

12 A. I am so confused, I forget the question
13 now.

14 If I understand correctly what you are
15 getting at, I must say that these articles were not
16 known to me or to the Federation at the time. It was
17 only later that we learned about them. We were rather
18 amazed.

19 But there is something of a coincidence,
20 because I think that marked the time, the beginning of the
21 period when the pilots' corporations became very very
22 sensitive to any discussion of income. It must not
23 be talked about; that is taboo. We can talk about
24 anything else; we can talk about tariffs, whether draught
25 in tonnage is a good thing, how big the district should
26 be and winter navigation, but never, never, never must
27 we talk about income. That is something sacred.
28 It does seem to coincide with this time, because that
29 had not been to my recollection a taboo subject in years
30 before that. It was quite common for a pilot to discuss



1 English

2 what his income was. There was no secret about it.
3 But with the advent of corporations incomes are not
4 to be discussed.

5 Q. You had in your brief or pamphlet of
6 the spring of 1960 given figures, had you not, of the
7 average gross earnings of pilots per district?

8 A. That is right.

9 MR. LALONDE: I am sorry; they are not
10 indicated as gross earnings. Yes, I am sorry; I
11 apologize -- average gross earnings.

12 MR. BRISSET: Q. I quote from pages 3
13 and 4:

14 "In 1959 according to government figures,
15 average gross earnings per pilot were as follows"
16 -- and then you list these figures for the four districts.

17 Mr. Colley, was there any particular reason
18 why, for instance, in quoting the gross earnings of
19 the pilots for Montreal Harbour in your brief of the
20 spring of 1960 you quote a figure which was in fact
21 some \$2,000 less than the official statistics of the
22 Department? For instance in the case of a Montreal
23 Harbour pilots you had quoted as gross earnings \$14,970
24 while according to Appendix number 51, based on
25 government figures these gross earnings were \$16,369.88
26 -- a difference of nearly \$2,000.

27 A. I assume that the difference here is
28 the allowed expenses.

29 Q. At all events if you were making an
30 error you were making an error which would show a lesser



1 English
2 gross income than it actually was. I am just wondering
3 whether there was any particular reason for it?

4 A. I will just see if I can tell you.
5 No, I am afraid not. I cannot verify it. I think it
6 must have been a question of the expense item being
7 deducted.

8 Q. In other words, when you even mention
9 gross earnings in your brief you were already taking
10 into account what might have been considered as
11 expenses?

12 A. I presume so.

13 Q. Mr. Colley, you were asked this morning

14 MR. LALONDE: If I may help here, I
15 understand this higher figure includes a charge of
16 what was \$2.50 per trip which was paid by ships for
17 transportation from ships to station or whatever it is.
18 Is that possible?

19 THE WITNESS: Montreal Harbour pilots?

20 MR. LALONDE: Yes; at the time you were
21 paying \$2 or \$2.50, \$3 to get out to the Seaway and
22 \$2 if it was in Montreal Harbour itself for the trans-
23 portation to and from ships. That would be the
24 explanation for the difference in the higher and the
25 lower?

26 MR. BRISSET: Q. There is an explanation,
27 but at this time you cannot give it to us with any
28 degree of certainty?

29 A. No. If it is important we will dig
30 it out.



1 English

2 Q. I want to refer you now to page 59 of
3 your brief where you made a statement about which you
4 were questioned this morning and asked to give us some
5 support for it; namely that the pilots' representatives
6 had extended the courtesy of providing a copy of their
7 brief to the Federation together with information that
8 the Minister's assistant had been informed that if
9 the pilots did not receive a favourable acknowledgement
10 of their brief in what they considered was a reasonable
11 period of time, all members of the Federation of
12 St. Lawrence River Pilots would congregate and so
13 forth -- in other words, they would strike.

14 Have you, during the course of the adjourn-
15 ment, found your support for this statement?

16 A. Yes.

17 Q. Will you tell us what it is and quote
18 from it?

19 A. It is a Shipping Federation memorandum.
20 There is no name as to who drew it up. It would
21 probably have been Captain Matheson. It is headed
22 "Strictly Confidential."

23 Q. Would you quote the relevant portion of
24 this document?

25 MR. LALONDE: I am objecting here for
26 the record. It does not matter very much; you may
27 go on. I am making a formal objection to this type
28 of evidence.
29
30



1 English

2 THE WITNESS: It was to help refresh your
3 memory, Mr. Lalonde.

4 MR. LALONDE: You may try as much as you
5 want. I wasn't there at the time, so it wouldn't help
6 very much.

7 THE WITNESS: "Mr. Marc Lalonde of the firm
8 of Lajoie, Gelinas, Lajoie, Bourque and Lalonde, and
9 who is working under Mr. Paul Gerin-Lajoie with respect
10 to pilotage matters, called at this office on August
11 31st, to deliver a brief entitled 'Brief of The
12 Federation of The St. Lawrence River Pilots.' This
13 brief was circularized to all of the members on September
14 1st.

15 Mr. Lalonde advised that the brief was
16 submitted the previous Monday, October 29th, to the
17 Minister of Transport's assistant with copies for
18 distribution to the senior officials of the Department
19 of Transport, and, apparently, to members of Parliament.
20 Mr. Lalonde further stated that he had advised the
21 Minister's assistant that if the pilots did not receive
22 a favourable acknowledgement to their brief in what they
23 considered was a reasonable period of time (15 days),
24 all members of the Federation of St. Lawrence River
25 pilots would congregate to consider future plans in
26 connection with the contents of their brief..."

27 These are the main points. There are a
28 couple of further...

29 MR. JACQUES: What year did this happen?

30 THE WITNESS: 1960.



1 English

2 MR. LALONDE: I may add here that I was
3 back in Montreal at the time, and the meeting took place;
4 although I have no memory of such a statement. It may
5 have been done.

6 I just want to stress that although the
7 members say they will congregate that doesn't mean they
8 will strike for sure; and whether or not a meeting was
9 held -- took place, or did not take place -- in the
10 middle of October, and certainly there may have been
11 15 days there -- but certainly it would be a kind of
12 hypothetical period. That is what I want to state.
13 But there, again, I stress I have no memory of such
14 a statement.

15 MR. BRISSET: Q. Mr. Colley, I now want to
16 go on with what happened in the fall of 1960, and we
17 had reached the point when telegrams were being
18 exchanged between the Shipping Federation of Canada and
19 the Minister of Transport himself. You have already
20 referred to the telegram from the Federation dated
21 October 27, 1960, at page 63 of your brief.

22 The following event, according to your brief,
23 was that of October 28 when the Department sent you a
24 letter outlining the demands of the Montreal Harbour
25 Pilots, appendix 54 of your brief.

26 Will you confirm to us that this is the
27 letter that you received at the time, or at least
28 that the Federation received at the time, from the
29 superintendent of pilotage?

30 A Yes, that is so.



1 English

2 Q. You will note that appended to that
3 letter is a review explaining the effects of the
4 proposed tariff change. Have you that document in
5 front of you?

6 A. Yes, I have.

7 Q. Now, when this proposed tariff changes
8 was submitted by the pilots had you had any direct
9 communication from the pilots prior to the receipt of
10 that document in connection with their working con-
11 ditions and earnings in the Montreal Harbour District,
12 or was this the first communication you had that they
13 wanted a revision?

14 A. I couldn't be sure. We may have had.
15 Whether this is the first, I couldn't tell you offhand
16 without digging back.

17 Q. Now, at all events you did receive
18 a reply from the Minister on November 3rd 1960, to
19 your telegram of the 27th of October, and you
20 reproduce the text on page 64 of your brief?

21 A. Yes.

22 Q. Will you confirm that this was the
23 telegram received at the time?

24 A. Yes, that is correct.

25 Q. In connection with the telegram there
26 is one item I want to bring your attention to, namely,
27 the reference by the Minister to his concept of no
28 increases during the navigation season. You have
29 already broached this subject this morning, that, in
30 your opinion, revisions of tariffs should not be matters



1 English

2 to be opened up during the season of navigation.

3 Had you had occasion to observe that the
4 Department was holding similar views or not at that time?

5 A. Oh, yes; I think this concept was
6 discussed -- probably was mentioned -- even at the
7 first meeting of January 1960, that everyone attended;
8 the Department, naturally, were just as fed up as any-
9 one else in having to go through these continual
10 ordeals and negotiations during the season; and --
11 I am not certain -- there may even be some comments
12 to that effect in the minutes of the first meeting
13 at which there was Mr. Cumyn, because I know he had
14 expressed the opinion that by means of these annual
15 meetings the various problems could be solved and then
16 we would be in the clear during the season to
17 concentrate on more constructive things.

18 Q. Now, when this statement of the
19 position was made at the level of the Departmental
20 committees, when meetings were called during the off-
21 season -- say, in January -- had the pilots expressed
22 any views on this concept, namely, as to whether they
23 were in agreement or not?

24 A. They were not in agreement.

25 Q. And, in fact, I take it that later
26 experience proved that they wanted to reopen tariff
27 negotiations at any time of the year?

28 A. Oh, yes.

29 Q. I take it that so far as the Federation
30 was concerned you were in favour of tariff negotiations,



1 English

2 or whatever negotiations there might be, should be
3 carried on during the off-navigation season?

4 A. Yes.

5 Q. I refer you on this point to the
6 telegram, quoted at the bottom of page 64 of your brief,
7 in reply to the Minister, of October 27, 1960, in
8 which you stated:

9 "...and although we had always
10 understood that the policy of the pilotage
11 authority was not to negotiate tariff changes
12 with pilots during navigation season we are
13 prepared to attend joint meetings with Montreal
14 Harbour pilots..." For what reason were you
15 changing your position then, or why were you, if I may
16 use the term, conciliatory in that regard at that
17 stage?

18 A. Well, because it was pretty much an
19 accomplished fact that these negotiations were taking
20 place, and presumably they were serious, so we felt
21 that there was an obligation on our part to at least
22 attempt to see what it was all about and express such
23 views as we may have.

24 Q. At all events, was any action taken
25 on the revision of the Montreal Harbour Pilotage
26 tariff in the fall of 1960?

27 A.No. Finally it was agreed that this would
28 be held over for the so-called annual meetings in the
29 off-season.

30 MR. LALONDE: May I refer to this telegram



1 English

2 which appears on page 65?

3 MR. BRISSET: That was indicated by the
4 Minister in the telegram which is quoted at page 65
5 of your brief -- a telegram dated November 8, 1960;
6 is that correct?

7 A. That is right.

8 MR. LALONDE: And in which you stated
9 that the pilots' representatives have agreed to postpone
10 the request for revision of Montreal Harbour tariff
11 until the meeting on pilotage early in January...

12 MR. BRISSET: Yes, that is what happened
13 with regard to this particular pilotage district.

14 Q. Now, the next annual meetings were to
15 take place in January of 1961, were they not?

16 A. That is right.

17 Q. And in this case you received advice
18 of these proposed meetings on the 9th of November 1960,
19 and I would like you to refer to Appendix 55 at page
20 170 of the second volume of the brief, and I would
21 ask you to confirm that this was, in fact, the
22 notification which you received?

23 A. Yes, that is so.

24 Q. You will see -- and I draw your
25 attention to -- the last sentence of that letter which
26 I quote:

27 "Statements containing statistical in-
28 formation on workload and revenue will be
29 furnished you about one week prior to the
30 meeting."



1 English

2 A. Yes.

3 Q. Do you know from your own record whether
4 you did get this statistical information?

5 A. I believe that we did.

6 Q. I just want this to complete the
7 record in this regard: Was it in the form of the
8 1959 sheets which have already been produced as Exhibit
9 938, or was it in the new form that now has been
10 adopted by the Government?

11 A. In the new form.

12 Q. Without disclosure of the actual
13 pilots' dues and by each of the pilots?

14 A. Not broken down.

15 Q. You had, however, a statement of the
16 dues earned by the group in each district?

17 A. That is correct.

18 Q. Will you simply refer to the next
19 Appendix, Appendix 56, and tell us whether this was the
20 reply that was sent by the Federation to the supervisor
21 at that time?

22 A. Yes, it is.

23 Q. On the date November 17, 1960?

24 A. Yes.

25 Q. I see in this letter you announce that
26 your Federation was working on the preparation of a
27 brief which would be submitted to the Minister later on?

28 A. That is correct.

29 Q. That is the brief -- isn't this so --
30 that was submitted on December 14, 1960 and which is



1 English
2 already included amongst the papers lumped together
3 as Exhibit 688? And you can say "Yes" to that for
4 the record?

5 A. Yes, all right.

6 Q. You recall that particular brief,
7 Mr. Colley?

8 A. Yes, I do.

9 Q. Can you give us just a brief outline of
10 the reasons which prompted the Federation to go to the
11 trouble of submitting, at that stage, this rather
12 comprehensive brief?

13 A. Well, I think it is rather simple.
14 It was just really one small, basic point. We felt
15 that as users of the pilotage service it was reasonable
16 that we should be able to discuss and consider what
17 remuneration the individual pilot received; and we felt
18 that that was a principle that we were entitled to
19 expect and that if it were adopted -- if it would be
20 recognized -- there would be no difficulty at any time
21 in solving all of the other subsidiary problems --
22 that is, how to make up a tariff, or what is a proper
23 workload, or limitations of districts -- that all these
24 things were merely administrative problems that could
25 be very easily solved if only we could come to grips
26 with this one little problem -- what is the annual
27 earnings of a pilot and what would be fair and reasonable?
28 -- but, no, we couldn't find that because the corporations
29 just refused to discuss annual wage or what they
30 considered a fair annual wage. That was not to be



English

discussed. "Let us discuss tariffs." "Let us rather discuss whether it is reasonable to have it on a tonnage basis or a draught basis," but never "What is this going to produce in earnings to the individual pilots?" and it was only on this point, although the brief goes to several pages to explain it; that was the main theme and key to it all.

Q. Now, in that brief, and as you say in your brief before this Commission in the last paragraph on page 65, I want to point out to you that the Federation made a plea for a change in the basic pilotage system and recommended that either the pilots be made civil servants or that they be placed on a guaranteed annual wage. Why was the question of putting pilots on a civil servant basis raised at this time?

A. Well, we felt that some solution was required. This was one of the possible alternatives; and, in fact, I do believe that it was mentioned originally by the Deputy Minister as a possible solution to the pilotage problem. But as far as mentioning it in that particular brief, as I say, this was one alternative -- not necessarily the ideal one, we appreciated -- but it was one possible alternative for a solution to this problem.



1 English

2 Q. What solution would that status offer
3 to what problem, if I may ask you such an imprecise ques-
4 tion?

5 A. Well, on the civil service basis, of
6 course, the pilots would then be on a fixed annual
7 salary. There would no longer be any interest, or
8 there should no longer be any interest, on their part
9 in the tariff. It would hardly make any difference
10 to them as long as they were getting a set annual wage
11 to know that the tariff was \$5 a foot or \$10 a foot.

12 COMMISSIONER SMITH: Mr. Colley, in the
13 statement in the brief at page 65 in the paragraph
14 about which we are speaking you say either the pilots
15 be made civil servants or that they be placed on a
16 guaranteed annual wage. As I am reading that, it
17 is either civil servant or another type of category?

18 THE WITNESS: Yes.

19 COMMISSIONER SMITH: With a guaranteed
20 annual wage?

21 THE WITNESS: Yes, two different alter-
22 natives.

23 MR. BRISSET:

24 Q. And that was, if I may summarize your
25 evidence, to get away from all the problems you had had
26 in the tariff discussions?

27 A. Yes.

28 Q. Particularly during the year 1960, I
29 imagine?

30 A. And 1959.



1 Q. And 1959. Now, in connection with your
2 general proposal to revise the basic tariff system in
3 this regard you say that you found sympathy on the
4 part of the Minister and in this regard I would like
5 to indicate to you Appendix 57 in your brief at page
6 172, and to ask you to confirm whether this was the
7 letter which your Federation received from the Deputy
8 Minister at the time?

9 A. That is so.

10 Q. In acknowledgement of your brief of
11 December 14th, 1960?

12 A. Yes.

13 Q. I would like to draw your attention to
14 the third paragraph of this letter which reads:

15 "Following this line of thought I
16 might suggest that the forthcoming
17 discussion ---"

18 That was the interdepartmental committee meeting, I
19 take it --

20 A. Yes.

21 Q. " --- now set to commence on January
22 3rd at Montreal should provide an
23 opportunity to broach the idea of a
24 set income to the pilots, and we would
25 expect that your members would be pre-
26 pared to suggest such an approach."

27 How did you construe this remark of the Deputy Minister
28 at the time?

29 A. At first we thought that this was --
30 well, we were very pleased. We thought it was a



1 English

2 step in the right direction and that the Department
3 was going to support us in our objective of a guaranteed
4 wage. However, when we developed this a little bit
5 further with the Department it turns out that that is
6 not exactly what they had in mind. What they had in
7 mind to convey was that if we would raise the question
8 and if the pilots were agreeable, then that would be
9 fine, but the Department themselves were not going to
10 take the initiative or become an active supporter of
11 our idea at that time.

12 Q. Did you in fact put the proposition
13 squarely before the Department or before the Deputy
14 Minister, asking him whether his Department would
15 or would not support the Federation?

16 A. Yes, I believe so.

17 Q. I would like in this connection to
18 refer you to Appendix 59, which is in the form of a
19 telegram addressed by yourself, as chairman of the
20 Pilotage Committee, to the Deputy Minister of Transport.

21 COMMISSIONER SMITH: Excuse me, Mr.
22 Brisset. Before we leave that last point you were
23 developing, in paragraph 33 of Appendix 58 there is
24 a letter from the Deputy Minister to Captain Matheson
25 and I am leaving out some of the language, but this
26 is the effect of it. I may suggest that your members
27 will be prepared to suggest such an approach. Now,
28 I read that that the Department is asking the Federation
29 to suggest this approach with regard to the guaranteed
30 annual income. That is a pretty definite statement



1 English

2 to the Federation to bring this question up and have
3 it discussed and perhaps disposed of, if it could be.

4 THE WITNESS: Yes, that is true, but in
5 the light of the discussions that we have had with the
6 Minister we had been hopeful or at least we asked that
7 the Department take a stand on this thing and give us
8 some active support so when we first got this letter
9 from Mr. Baldwin -- I think perhaps it may be called
10 wishful thinking -- we felt we -- rather hoped that this
11 meant or implied that the Department were going to give
12 us active support if we would raise the suggestion at
13 the meeting; but it subsequently proved not to be the
14 case. In fact, the literal translation, as you say,
15 is quite clear. The Department did not intend to
16 support us.

17 MR. BRISSET:

18 Q. In fact, in order to determine whether
19 the Department was or was not in favour of a system
20 of this kind, did you not address this telegram to
21 which I have referred you earlier of December 29th,
22 1960, to Mr. Baldwin, the Deputy Minister, Appendix 59?

23 A. Yes, that is so.

24 Q. Page 175. I would like to quote the
25 first part of this telegram to Mr. Baldwin by you.

26 "Referring to your letter of December
27 28th and our conversation of today,
28 we consider it of vital importance
29 that a decision be reached by the
30 Minister as to whether the concept of



1 English

2 dealing with pilots' requests
3 in terms of annual income for the
4 pilots and their separation from
5 any concern in the tariff structure
6 is acceptable or not to the Govern-
7 ment. Stop. Such a statement in our
8 humble opinion being a policy de-
9 cision should not be based on whether
10 the merits of the concept are likely
11 to meet the approval of the pilots'
12 corporations or not."

13 What were you seeking to attain by these words as I
14 do not see them as a request that the Department support
15 you, but simply a request that the Department let you
16 know whether they were also in favour of such a system
17 or not.

18 A. That is true. I might explain a little
19 further the reason for it. We felt completely frus-
20 trated at this stage, and it was apparent to us
21 that unless there was a change in the system there
22 was really no point in going through this illusion of
23 negotiation because there was no such thing.

24 We could never talk about what the
25 tariff would produce. We could never talk about annual
26 earnings. We only talked about intangible things, and
27 then in a light that really gave them no significance
28 so if we were going to perpetuate that system, it
29 really had the effect of saying "Well, we will just
30 have to give a blank cheque to the Pilots' Corporation



1 English

2 and let it go at that because there is no point in
3 negotiating." We never had anything to negotiate on.

4 It is as if, if I might give another illus-
5 tration, as though management in an automobile factory
6 was talking to the union representative and the
7 union representative said, "We don't want to talk
8 about the hourly wage; all we want to talk about is
9 a formula based on the population of Canada or per-
10 haps in relationship to the number of wheels that
11 we produce in a year, or something." It had no
12 relationship to anything that really had any signi-
13 ficance.

14 It was because of that we felt that we
15 cannot continue. There is no point in going on and
16 sitting down and having a meeting where we discuss
17 such unrelated subjects, I think, as we put it some-
18 where, it just tended to lend dignity to an impossible
19 and rather, if it hadn't been so serious, you might
20 say an amusing situation.

21 Q. Now, while these exchanges were taking
22 place between your Federation and the Department, I
23 take it that the Federation of St. Lawrence River Pilots,
24 as mentioned on page 57 of your brief, did submit
25 demands on behalf of the groups they represented?

26 A. Yes.

27 Q. Did you receive a reply to your telegram
28 of December 29th to Mr. Baldwin as to whether the
29 Department would be in favour of not of your proposed
30 approach?



1 English

2 A. I don't think so. Just let me check
3 now.

4 Q. I refer you to the bottom of page 57
5 of your brief, the last paragraph?

6 A. Oh, yes. No, apparently we did not
7 get any reply.

8 Q. Now, in this light, what was the de-
9 cision of the Federation with respect to the meeting
10 that was then scheduled for January 3rd, 1961?

11 A. It was our feeling that there was no
12 point in attending. There was no point in continuing
13 on that basis and we consulted with the Dominion Marine
14 Association and the Canadian Shipowners' Association
15 who had previously been parties to these meetings also
16 to explain our point of view and get their reaction, and
17 we found that they were of the same mind as we were and
18 therefore it was agreed that on the shipping side there
19 would be no one in attendance.

20 Q. That is what happened?

21 A. That is what happened. The meeting
22 took place without any shipping interests.

23 MR. LALONDE: Would you call that a
24 strike?

25 MR. BRISSET: A lockout.

26 Q. Now, were you eventually informed of
27 what took place at this meeting?

28 A. Yes.

29 Q. Between the pilots and the Department
30 which meeting you did not attend?



1 English

2 A. Yes, we were advised.

3 Q. In what form?

4 A. Well, first of all by a telegram on
5 January 13th and that is Appendix 60.

6 Q. That was the first notification you had?

7 A. That is so.

8 Q. Now, there was a reference in this
9 telegram to pilots of Kingston and Montreal Harbour
10 requesting an upward revision of the tariff. Quebec
11 district was claiming in relation to docking pilots in
12 Quebec two tariff revisions. Had you up to that
13 moment been made aware of what these specific demands
14 were?

15 A. No, I think that followed along. Just
16 a minute now.

17 MR. LALONDE: Just a minute. Was my
18 friend's statement about two tariff revisions in Quebec---

19 MR. BRISSET: Yes, from the text of
20 the telegram. If I may quote:

21 "Department officials met with pilots
22 on January 3rd to discuss income and
23 working conditions in Kingston,
24 Montreal Harbour, Montreal River and
25 Quebec districts. Pilots of Kingston
26 and Montreal Harbour requested upward
27 revision of tariffs. Quebec district
28 pilots pressed again for docking
29 pilots in Quebec harbour."

30 MR. LALONDE: "Department agreed



English

investigate two tariff revision requests and to consider setting up committee investigate advantages and disadvantages of Quebec Harbour Pilotage Department."

MR. BRISSET: I am sorry.

MR. LALONDE: This means that tariff revisions referred to the Montreal Harbour and the Kingston District.

MR. BRISSET: Yes, I agree. You are quite right. I apologize. I had not seen the stop on my own text.

Q. The question I was asking was whether these revisions in tariff or other demands mentioned in the telegram had ever been indicated to you at the time specifically?

A. Well, the requests were, of course. Is that what you mean?

Q. Yes.

A. They were contained in the Federation of Pilots' brief that we got in December.

Q. Now, were you eventually given a factual report on the meeting that took place at that time between the Department and the Pilots?

A. Yes, we were. That, of course, is Appendix 61.

Q. On page 178?

A. Yes.

Q. Of the second volume?



1 English

2 A. Yes.

3 MR. LALONDE: I believe, my lord, that
4 a copy of Appendix 61 was never sent to the pilots and
5 it was therefore taken under reservation..

6 THE CHAIRMAN: What do you mean,
7 because you don't have anything to verify it with.

8 MR. LALONDE: Yes. The pilots never
9 received such Minutes as far as I can recall, so I
10 have no objection to the filing of that ---

11 THE CHAIRMAN: Could you have the
12 original of it?

13 MR. LALONDE: Well, what I mean is
14 that I do not contend that this is not a correct repro-
15 of what was received by the Shipping Federation. My
16 contention is that a copy of this was never sent to
17 the pilots at any time following the meeting, so ---

18 THE CHAIRMAN: What is the objection?

19 MR. LALONDE: The objection is that
20 these are Minutes written by somebody, I presume, in
21 the Department of Transport and they are a proper
22 reproduction of what took place, in so far as this
23 one man's reporting what he probably heard at the
24 meeting, but there was never any study of this document
25 as being an actual reproduction of what did happen;
26 although I do not want to cast doubt on its content.
27 It is just that the Shipping Federation received a
28 copy of these Minutes and the Pilots, as far as I can
29 see, did not receive any such copy.

30 THE CHAIRMAN: Yes, but the witness was



1 English

2 not there so therefore the witness cannot prove the
3 contents are really what happened.

4 MR. LALONDE: Yes.

5 THE CHAIRMAN: So therefore the docu-
6 ment is filed only to establish that this is a document
7 that was received from the Department.

8 MR. LALONDE: Yes.

9 THE CHAIRMAN: Its contents may not be
10 what happened.

11 MR. LALONDE: Yes.

12 THE CHAIRMAN: Further proof of that
13 could be got in Ottawa from the Department files.

14 MR. LALONDE: Yes.

15 MR. BRISSET:

16 Q. You understand, Mr. Colley, the only
17 purpose in referring you to this document is to identify
18 it as the document received from the Department and
19 allegedly reporting what transpired at the meeting
20 which you did not attend?

21 A. Yes, I understand.

22 -

25 -

27 -



1 English

2 Have you any record of when this document
3 was received?

4 A. No, I do not know offhand. It may be
5 indicated in the Federation files.

6 Q. You do not have it in front of you?

7 A. No.

8 Q. At all events, Mr. Colley, upon receipt
9 of this document what was the reaction of the Federation
10 and your Pilotage Committee in particular?

11 A. We were somewhat disappointed because
12 it did not seem to present any new light at all or
13 any new development. It seemed to indicate that
14 the Department intended to continue negotiating
15 individual items of tariff as they had done in the
16 past.

17 Q. You had, if you can recall, presented
18 a rather weighty brief in December, 1960. Had you
19 by this time -- I am speaking of January, 1961 --
20 received any further comments on the part of the
21 Department or the Minister on this particular brief, or
22 was it still under consideration or study?

23 A. It was still under study. In fact,
24 we were only able to arrange a meeting with the Minister
25 at the beginning of February -- February 7th. At that
26 time we also presented comments on the meeting that had
27 taken place at the beginning of January for which we
28 received the Department's minutes.

29 Q. On page 68 of your brief, Mr. Colley,
30 you mentioned that in a telegram from the Department of



1 English

2 Transport you had been informed that ^{the} demands of the
3 pilots were being considered and that the pilots had
4 been promised a decision by February 1st, 1961. This
5 information is included in Appendix 60?

6 A. Yes.

7 Q. Was in fact a decision communicated to
8 you as to what the Department proposed to do before you
9 had your meeting with the Minister, or were things
10 held up until you could have your meeting with the
11 Minister?

12 A. Yes, I think they were held up. Yes,
13 as far as I am aware there were not other developments
14 in the meantime from the time of receiving the account
15 of the Department's meeting with the pilots until we
16 met with the Minister on February 7th.

17 Q. So you did meet with the Minister on
18 February 7th. That was the Honourable Leon Balcer
19 at that time -- you did meet on February 7th. I would
20 like you to let me know whether it was at that meeting
21 that you submitted your comments which are to be found
22 in Appendix 62 -- comments on what had taken place
23 at the Departmental meeting with the pilots?

24 A. That is so.

25 Q. And this is the document which is
26 contained in pages 185 to 188?

27 A. That is correct.

28 Q. I see that this memorandum is signed
29 in your name as Chairman of the Pilotage Committee?

30 A. Yes.



1 English

2 Q. I take it therefore you attended this
3 meeting with the Minister?

4 A. Yes.

5 Q. Can you, relying on your recollection,
6 give us a brief outline of the discussion that you had
7 with the Minister at that time? I refer you, if I may
8 assist you, to the bottom of page 68 of your brief.

9 A. Yes.

10 Q. If I may ask you this question first --
11 was there a frank discussion at that time with the
12 Minister of the whole situation?

13 A. Yes, very much so. It was in many
14 respects similar to previous meetings. Insofar as the
15 changing of the system and so on was concerned or being
16 able to get a commission of inquiry, as I recall, we
17 had pretty much the same answers as we had had previously.

18 But there was one slight change in this meeting.
19 That was when we came to talk about this objective of
20 an annual wage or a target income. This thought
21 apparently appealed to the Minister and we received
22 some encouragement from him on this point.

23 Mind you, if I could just review back up
24 a little bit, we had thought that we were getting to
25 this point prior to the annual meeting and then at the last
26 moment our hopes were dashed and the Department made it
27 clear that they were not prepared to carry the ball for us.

28 We did not attend the meetings. The
29 meetings went on and were negotiated in the same manner
30 and pattern as they had always been negotiated. And now



1 English

2 finally within a month of that time we were meeting with
3 the Minister -- and this is the one bright light. He
4 agreed with us that something must be done towards
5 establishing a target income, a guaranteed wage of
6 some type and get away from this nonsense of negotiating
7 minor changes in a tariff formula.

8 Q. You refer in your brief to a letter
9 dated February 9th, 1961 which has not been filed in
10 your appendices. Do you have this letter with you,
11 as I would like to file it as Exhibit 940? This is
12 a letter from the Deputy Minister to the Shipping
13 Federation?

14 A. Yes. I have that letter here. If I
15 could just read some of it, it rather concerns what I
16 was describing.

17 THE SECRETARY: What date is that?

18 THE WITNESS: February 9th, 1961, from
19 the Deputy Minister Mr. Baldwin addressed to Mr. Mearns
20 of the Shipping Federation.

21 Let me just read part of it to illustrate
22 my point.

23 "You are aware that the pilots of the
24 Montreal Harbour and of the Cornwall pilotage
25 district have made representations to the
26 pilotage authority for increases in the tariff
27 in their respective districts and a number of
28 meetings have been held to discuss this matter.

29 As a result it has been decided to revise
30 the tariff in Montreal Harbour so that on the



1 English

2 basis of the 1960 level of traffic these pilots
3 will earn \$11,200 per season with the further
4 \$1,600 to cover estimated expense.

5 It has also been decided that the pilots
6 of the Cornwall district should be granted an
7 increase to a level of \$11,700 with \$1,000 to
8 cover estimated expense."

9 I must say that this was the first time
10 that we had ever had this target income idea expressed
11 so very specifically and concretely. I think we were
12 carried away a little bit by that, because I think we
13 acknowledged --

14 Q. You refer in your brief to a letter
15 that you wrote back to the Minister in reply to this
16 very letter, dated February 23rd, 1961. As it
17 was not filed with your brief I would like you to file
18 this letter also as part of Exhibit 940.

19 --- EXHIBIT No. 940: Letter dated February 9th,
20 1961 from the Deputy Minister
21 to the Shipping Federation
22 and letter dated February 23rd,
23 1961 from the Shipping Federation
24 to the Minister.

25 Q. For the moment perhaps you could give
26 us just the gist of this letter, or if any point is
27 worth noting in this letter?

28 A. Yes. In our reply to Mr. Baldwin
29 dated February 23rd, 1961 we said in part:

30 "Our members are pleased to note the
decision of the Pilotage Authority with



1 English

2 respect to the maximum annual earnings for the
3 pilots in these districts.

4 In this connection is it the Department's
5 intention that any surplus amounts collected from
6 tariffs in the respective districts will be
7 withheld by the pilotage authority and placed in
8 a special pilotage account?"

9 We also made some comment that we did not
10 agree with the expense items, but mainly what I was
11 trying to convey here was that this idea of a target
12 income and the intention of the Government to approve
13 a certain amount of money for pilots of a given
14 district was rather pleasing.

15 We then had asked this specific question
16 of how this was going to work and then I believe we
17 got the reply that dashed our hopes. That would be
18 the Deputy Minister's letter of March 2nd.

19 Q. March 2nd, 1961, which is filed as
20 appendix 63 in volume 2 of your brief in which the
21 Deputy Minister points out that you had gained the wrong
22 impression of what he had stated earlier?

23 A. Well, you could see we were wishful
24 thinkers during all these years and constantly had our
25 hopes dashed.

26 Q. During the last part of your evidence
27 you have spoken of a topic that has been introduced
28 lately a number of times in your evidence, the topic of
29 expense on the part of the pilot. Can you develop
30 this and how this item of expense of the pilots entered



1 English

2 into discussions and negotiations at about that time?

3 A. Well, it is something that still
4 puzzles me to this day, and I cannot claim to be an
5 expert on it at all. It would appear that ~~between~~
6 the Department and the pilots there is an agreed
7 amount, and allowance for expense.

8 By "allowance" I think it implies that
9 this is an amount that may be deducted for income
10 tax purposes. But naturally this amount was referred
11 to -- well, at the meetings in 1960 for example the
12 pilots ~~referred~~ to this amount of expenses in
13 calculating revenue. They felt that this item should
14 be deducted from any statistical figures that the
15 Department may show before arriving at a net revenue.
16 I think the pilots also objected; they did not agree
17 that the amount was sufficient and said that it should
18 be a larger amount.

19 It will be observed in the minutes or
20 memorandum of this meeting we had in 1961 that at that
21 time the Department did in fact further increase those
22 allowances.

23 But how they work, we do not know. We
24 have asked questions about it through the years and
25 at one time I believe the superintendent of pilots
26 was to investigate whether or not this was a factual
27 figure. What the results of that investigation
28 were, we really do not know.

29 Q. When you say the superintendent of
30 pilots, do you mean the regional superintendent at



1 English

2 that time -- Captain Gendron?

3 A. That is correct, yes.

4 Q. Are you aware that he in fact carried
5 out an investigation of what the expenses, actual
6 expenses of the pilots in each district were?

7 A. Yes. Well, I do not know if he
8 completed all districts, but certainly at a meeting that
9 he attended in the offices of the Federation he
10 explained to us that he had done such an investigation.
11 Whether it was complete in all districts or whether he
12 had just gone through one, I really could not say.
13 But certainly he has done an investigation into this.

14 COMMISSIONER SMITH: Mr. Colley, if my
15 memory serves me properly, in Quebec there was some
16 evidence given to the Commission that the income tax
17 experts fixed an allowance of, I think it was \$1500
18 allowable for deductions for expenses. To your
19 knowledge was there any such investigation or commitment
20 made by the income tax people so far as the Montreal area
21 is concerned?

22 THE WITNESS: I do not know how the income
23 tax people would become involved because whenever this
24 matter has been discussed it has been between ourselves
25 and the Department of Transport. The Department of
26 Transport will for example advise us on a particular
27 occasion that the allowance in such a such a district
28 is this year being increased from \$1300 to \$1600.

29 Now the mechanics behind that -- if it is
30 an income tax matter, how the Department arranges that



1 English

2 with the other departments of the government, I do not
3 really know. As I say, this is based largely on
4 assumption, because we have never been able to get a
5 full explanation of the purpose of this expense item.

6 COMMISSIONER SMITH: In any event there
7 has not been the same pattern here as there was in
8 the Quebec district?

9 THE WITNESS: No.

10 MR. BRISSET: Q. As far as actual
11 expenses are concerned, have you ever been submitted
12 with actual figures and vouchers or the like -- or
13 was that also taboo?

14 A. Yes, I think so. Certainly not in my
15 time. I have never seen any.

16 Q. Anyway am I right in assuming that as
17 far as your Federation or the shipping industry was
18 concerned, this item of expenses had only to do with the
19 statistical information which you were supplied with
20 indicating what were the earnings of the pilots?

21 A. Yes.

22 Q. The amount allowed went to reduce what
23 was declared to be the earnings of the pilots?

24 A. That is correct, yes.

25 MR. BRISSET: It is a quarter to four;
26 perhaps we could have an adjournment.

27 THE CHAIRMAN: All right. We will take
28 the occasion to adjourn for ten minutes.

29 --- Recess
30



1 English

2 Q. Mr. Colley, during the course of your
3 evidence prior to the adjournment you were asked how
4 Appendix 61, the Minutes of the meetings with the
5 Pilots' representatives and the Department, had come
6 to you. Have you been able, during the adjournment,
7 to search your record and tell us how this came to
8 you?

9 A. Yes; it was received under cover of a
10 letter from Captain Jones of the Department of Transport,
11 Ottawa, dated January 16th, 1961.

12 THE CHAIRMAN: Could you add the file
13 reference?

14 THE WITNESS: File No. 8500-56.

15 MR. BRISSET:

16 Q. Mr. Colley, I would like to refer you
17 at this stage to the brief which you had submitted to
18 the Minister on December 14th, 1960, and which has been
19 filed as part of Exhibit 688 and quote to you certain
20 extracts from this brief so that you can tell me where
21 you find support for some of the statements made in it,
22 particularly with regard to the development of the
23 corporate organization of the pilots and the formation
24 eventually of the organization called the Federation of
25 St. Lawrence River Pilots.

26 On page 2 of the brief you state this:

27 "The work of this Departmental
28 Committee has not, in the opinion of
29 the Federation, been conducive to a
30 strengthening of the position of



1 English

2 the Pilotage Authority in its
3 relation with the pilots, while the
4 effective part played by the shipping
5 industry in the solution of pilotage
6 problems has been gradually de-
7 creasing in importance as its
8 representations have come to be
9 more or less ignored; as a result,
10 over the last three years pilotage
11 costs have rapidly increased and it
12 is feared that they will continue
13 to increase at a rate which has
14 no relation to the economics of the
15 situation, while the services may
16 well become less efficient . . ."

17 and so forth. Then you go on and say:

18 "It is highly significant that this
19 state of affairs has originated with
20 the formation and development of
21 Corporations which are tightly knit
22 organizations tending to establish
23 'closed shop' practices and grouping
24 together most of, not all of the
25 pilots of the various districts
26 and concentrating in the hands of a
27 few the power to rule over the
28 destinies of the whole group."

29 Then you go on developing the formation of the Corpora-
30 tion in the various district with which we are concerned,



English

namely Quebec, Montreal, Montreal Harbour, St. Lawrence-Kingston; and then on page 3 of the brief you say this:

"Finally, to complete the structure of the corporate organizations mentioned above and to mold them as a unit, the Federation of the St. Lawrence River Pilots was formed at the end of the year 1959, linking together as a whole the group entities represented by the Corporation of the Montreal Harbour Pilots, the Corporation of the Mid-St. Lawrence Pilots, the Corporation of the St. Lawrence/Kingston/Ottawa Pilots, and the Association of Licensed Pilots for the Harbour of Quebec and below and very likely in the future, if not already, the Corporation of Pilots of Lower St. Lawrence, which was founded after the Federation, thereby grouping in a single impersonal legal entity the near totality of the pilots of the four districts established in the St. Lawrence River. . ."

Then you go on to say:

"This group is small. The active pilots on the St. Lawrence River today number only 266 and out of these probably as many as 250 have joined the Corporation as members with probably



1 English

2 only a few of the latter setting
3 the policies of the group; it is,
4 of course, of the greatest interest
5 to comprehend how so few men can
6 wield so much power, and we shall
7 therefore attempt to demonstrate how
8 this is achieved. . ."

9 Then you go over the question of earnings being turned
10 over to Corporations, and further, returning to the
11 Confederation of St. Lawrence River Pilots, you say
12 this:

13 "As far as the Federation of St.
14 Lawrence Pilots is concerned, its
15 control over the earnings of the
16 pilots stems from the power of its
17 Board of Administration to exact
18 contributions out of the earnings
19 of the pilots, members of the various
20 district Corporations, not by assess-
21 ment against each pilot individually,
22 but by assessment against the pooled
23 funds of the various Corporations which
24 are already under the control of their
25 respective Board Administration."

26 Now, in relation to the power of the Federation of St.
27 Lawrence Pilots which you were discussing in your
28 brief, had you, by the beginning of 1961, had some
29 evidence to support what you were saying in your brief
30 in so far as, for instance, the negotiations of tariffs



1 English

2 were concerned?

3 A. Well, by that time we had already
4 received two briefs, which we discussed previously
5 today, from the Federation of St. Lawrence River
6 Pilots, in respect to certain proposals and suggested
7 changes.

8 Q. These two briefs, if I may interrupt,
9 so that we can identify them, are those which are filed
10 as Appendix No. 50 at page 139 of the second volume of
11 the brief and Appendix No. 46 at page 125 of the same
12 second volume; is that correct?

13 A. Yes, that is correct.

14 Q. Now, I draw your attention to
15 Appendix No. 61, the Minutes of the Annual Meeting
16 between the Pilots' representatives and the Department
17 of Transport?

18 A. Yes.

19 Q. And I take it that even although you
20 did not attend that meeting you accept that those
21 listed as representing the pilots were, in fact, in
22 attendance?

23 A. Yes, I will accept that.

24 Q. And these names are given at page 178
25 of the second volume of the brief.

26 Now, Mr. Colley, there has been filed
27 as Exhibit 636 a list of the members of the Board of
28 Administration of Federation of St. Lawrence River
29 Pilots, as it existed in 1960, and, therefore, giving
30 us the names of those who were still in office on the



1 English

2 3rd of January, 1961, as the annual meetings are
3 held some time later.

4 Would you keep that document before
5 you and give us the names of the administrators of
6 Federation of St. Lawrence River Pilots at that time?

7 A. Yes. Paul Bailly, President.

8 Q. And he was present at that annual
9 meeting?

10 A. Yes. Jean Guy Chartier, Vice-
11 President.

12 Q. He was also present at that meeting
13 in January, 1961?

14 A. Yes. Andre Bedard, Secretary.

15 Q. He was present at this meeting in
16 January, 1961?

17 A. Yes. Jean Clement Marchand, Adminis-
18 trator.

19 Q. And he was present at that meeting in
20 1961?

21 A. Yes. Roger Laliberte.

22 Q. And he was present at that meeting
23 in January, 1961

24 A. Gaston Rosseau .

25 Q. The same remark applies.

26 A. Wilbrod Marion.

27 Q. The same remark applies?

28 A. W. A. Kennedy.

29 Q. He does not appear to have been present.

30 A. And Oriel Hamelin.



1 English

2 Q. He was also present at the meeting of
3 January 3rd, 1961. Is that so?

4 A. That is so.

5 Q. Later on -- and just to pursue this
6 subject -- after your brief of 14th December, 1960, was
7 presented . . .

8 MR. LALONDE: My friend might mention
9 that there are several other names which appear in the
10 Minutes in 1961, which are not in the list he just
11 mentioned.

12 MR. BRISSET: Yes, that is quite so.

13 Q. After your brief of December 14, 1960,
14 was presented to the Minister and eventually was com-
15 municated to the pilots, did you find a change in the
16 pattern of presentation of requests for revisions of
17 tariff?

18 A. Oh, yes; it may have been a coincidence,
19 of course, but it is odd that from that time on, after
20 our brief, we no longer received briefs from the
21 Federation of Pilots but always from the individual
22 Corporations.

23 Q. Now, Mr. Colley, I want to pass on
24 to Appendix 63 which, you explain, was the letter of
25 the Deputy Minister that quenched the target income
26 principle for pilots; and I draw particularly your
27 attention to the remark of the Deputy Minister to the
28 effect that he had not made any reference to maximum
29 annual earnings in his previous letter, and went on
30 to say that if the number of trips increases or traffic



1 English

2 increases, of course, you would have an increase in
3 revenue; and if it decreases it would have a downward
4 effect, or result, on the revenues.

5 Now, while we are on this subject of
6 target income, could you add some useful observations
7 on the relationship of this income to traffic? In
8 other words, when you set an annual income is that set
9 out without consideration to traffic at all, or is the
10 traffic to be foreseen an important factor?

11 A. Oh, yes; it would be necessary, natural-
12 ly, to take into account the workload factor in some
13 manner or other, either by trips or by getting down
14 to even a more exact workload factor, and on the
15 assumption that a certain amount of revenue would be
16 required to produce the objective annual income.

17 Now, that would mean, in theory,
18 that if everything worked out according to the best
19 estimates at the end of the year -- your traffic
20 pattern was exactly as was predicted, then each pilot,
21 if he was available all the time, would, of course,
22 receive the target income exactly, right on the nose;
23 but needless to say the estimate would never be that
24 close. It would be impossible to predict. You can
25 be fairly close, but not right on the nose. So what
26 happens? If, in effect, it has been necessary for
27 some pilots to do more work than has been visualized
28 as their basic, then, actually, their income would be
29 increased accordingly. Similarly, if there was a
30 drop below the estimate then the income would be



1 English

2 reduced by that amount.

3 We have suggested -- and I should make
4 it clear -- that the Shipping Federation has got no
5 one single firm proposal on this, because the more
6 you look at it the more variations you can see -- and
7 I do not think that is too important. It is obvious
8 that there are many, many different ways of producing
9 and looking at this target income. You could have
10 one single guaranteed income that would be fixed,
11 which is very similar to the Civil Service system,
12 which the individual pilots are not too keen on, and
13 we see certain disadvantages too. It is perhaps as
14 well to allow a leeway so that there is some incentive
15 -- an incentive factor still remaining -- so for this
16 reason we have suggested a minimum maximum -- that it
17 does give an area of incentive.

18 Q. A maximum minimum range which would
19 take into account the variances in the density of
20 traffic; is that correct?

21

22 -

23

24

25 -

26

27

28 -

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30



1 English

2 A. In the density of traffic and if one
3 were to continue -- if the system would continue with
4 the present formula on tariffs, that is the draught
5 and tonnage. This can also have an effect on the
6 earnings but I don't feel it naturally follows that
7 such a complicated formula is necessary.

8 Q. Well, we will come back to this topic
9 later. I want for the moment to go on with the re-
10 cital of events, and the next event in the year 1961
11 is one which does not need, I think, any comment.
12 It has been brought to the attention of this Commission,
13 the famous speech of Mr. Balcer at the pilots' meeting
14 at ~~the hearing~~ in 1961, in the spring of 1961. You
15 say, however, that following this speech, which by the
16 way is recorded in Appendix 64 and was also qualified
17 as virulent, not revolting, but a virulent expose,
18 you say on page 70 that the speech appears to have
19 had a salutary effect. Would you develop this and
20 tell us what you felt was the result in so far as you
21 could observe it yourself?

22 A. Yes. Well, first things became quiet
23 all of a sudden. There was no pressing demand that
24 had to be met by the end of next week or there would
25 be a meeting held. This suddenly disappeared. Things
26 became rather quiet. We were not used to it at all.

27 Yes, and then also just after that time
28 we had this letter from the Minister, the letter of
29 May 24th, 1951. That is Appendix 65.

30 Q. Appendix 65, Mr. Colley, is a letter



1 English

2 addressed to your General Manager by the Minister
3 himself, commenting particularly on your brief of
4 December 14th, 1960?

5 A. Yes.

6 Q. In connection with this letter, Appen-
7 dix 65, at page 191 of the second volume of the brief,
8 I would like to draw your attention to the statement
9 made on page 2, in paragraph numbered 2?

10 A. Page 2, where is this? I am sorry, I
11 am lost.

12 Q. Page 192.

13 A. Yes.

14 Q. Page 192, in paragraph numbered 2?

15 A. Yes.

16 Q. It reads:

17 "The Department is already working
18 toward the objective that details
19 of tariffs shall no longer be subject
20 to representations by pilots ex-
21 cept where, for example, a matter
22 of working conditions or hours of
23 work might be involved."

24 In this connection were you given any further indi-
25 cation of development of what were the real objec-
26 tives of the Department or was that the end of the
27 matter for that year?

28 A. No. Let me comment on this to this
29 extent. I think it was another concept in the
30 evolution of the Department's acceptance of this



1 English

2 principle, because, as we have already reviewed, we
3 started off with a hopeful spurt at one time only to
4 have the Department dash our hopes; when we took a
5 little wishful interpretation of this Deputy Minister's
6 letter as an indication of the acceptance of the
7 principle.

8 Then we came up to the time of the
9 second meeting at the beginning of 1961 where we called
10 on the Department to give a clearcut expose of their
11 policy, were they or were they not for this principle,
12 and then we didn't get a very clearcut answer and
13 here finally after the meetings are over and this is
14 getting towards the middle of 1961, we have the
15 Minister indicating that the Department is now working
16 towards ^{this objective} so there was something of an
17 evolution indicated by this pattern.

18 Q. However, in so far as the balance of
19 the year 1961 was concerned, are there any events or
20 points worth noting after this letter?

21 A. No. I think the rest of that year
22 was a fairly tranquil one until the very end of the
23 year, until, in effect, the new demands for the follow-
24 ing season were presented but during the actual season,
25 I think it was fairly tranquil.

26 Q. Now going back to this letter of the
27 Minister, page 1, there was a statement which I wanted
28 to pick up at this stage but if you prefer to leave
29 your further comments to a later moment, you let me
30 know. The Minister says this:



1 English

2 "You will understand, however,
3 that pilots, along with other
4 members of the community, cannot
5 be denied the right to dispose of
6 their earnings in whatever way they
7 see fit and when they decide
8 as they have done, to give control
9 of their entire earnings to their
10 respective corporations there exists
11 no ground on which to interfere."

12 The question I wanted to ask you is -- but again if
13 you prefer to delay your answer until we feel more
14 thoroughly with the corporations and the system, you
15 do so, -- the question I wanted to ask you is this:
16 Is this right to say that you or the Shipping industry
17 have no reason to be interested in what the pilots
18 do with their earnings?

19 A. I suppose technically speaking, that
20 is correct. What they do with their earnings -- we
21 feel that we are very much concerned to make certain
22 that the pilots get their earnings and get the full
23 benefit of their earnings. Thus we do feel as
24 employers that we have the obligation to ensure them
25 of that. Perhaps the Good Samaritan aspect is
26 going a little too far when, in effect, we suggest
27 that the pilots should be protected from giving their
28 money away recklessly or with abandon, but I think
29 we would like to feel that the pilots get
30 the money that they earned and that they are entitled



English

to and once they get it, then they can be as reckless as they want with it. We have an obligation to make sure the money gets to them in the first place. This has been our point all the way along. This is what we were referring to in our brief.

MR. LALONDE: Big brother.

Q. In other words, you feel that to a certain extent the money is yours until it gets into the actual hands of the pilots. Is that what you mean by that?

A. That is correct, exactly.

Q. Because no doubt if the pilots say they are not getting enough, they are looking at what they have in their hand. Is that not so from your experience?

A. Yes.

Q. Now, Mr. Colley, I want to pass on to the events of the year 1962 and particularly, of course, the strike which took place in that year, in April of that year.

In your brief on page No. 70 you say in November, 1961, the Shipping Federation was approached by the Federation of St. Lawrence River Pilots for the purpose of preliminary talks to be held prior to the annual meeting. What was the reaction of the Federation to this approach which you say was made by the Federation of St. Lawrence Pilots, not by the Corporation of the various groups?

A. Well, we welcomed it. We naturally



1 English

2 are in favour of trying anything that would establish a
3 better line of communication with the pilots.

4 Q. Did you mention at that time your
5 target income system that you had been advocating in
6 previous years?

7 A. We did and in fact we made it quite
8 clear to the pilots unless they also were prepared to
9 accept this in principle there was no point in our
10 discussing any other individual items.

11 Q. Now, what reaction did you get to
12 this approach?

13 A. Well, the pilots said they required a
14 little time to think this over and I don't believe we
15 did get a direct reply or reaction to our suggestion
16 until very much later by which time Ottawa was involved
17 and we were by this time dealing with specific requests
18 and demands. To put it briefly, we didn't get a
19 reaction from the pilots.

20 Q. On page 71 of your brief you state
21 that you arranged a meeting with the Deputy Minister in
22 Ottawa at which time you would have been informed by
23 the Deputy Minister that a target level of pilots'
24 earnings in the amount of \$12,000 per annum had been
25 in the minds of the Department. Did you attend this
26 meeting? Do you recall exactly what took place and
27 give us an outline?

28 A. February, 1962, yes. I did attend
29 that meeting.

30 Q. Can you give us just an idea of how



1 English

2 the discussion proceeded; how this figure of \$12,000
3 came to be thrown on the carpet for discussion?

4 A. I don't know if I can tell you
5 specifically where that figure came from. I can re-
6 call that at our meeting on that occasion first they
7 dealt with the Minister's letter, the reply to our
8 brief, and of course, we were anxious to know how far
9 they were going on this concept of a target income.
10 It must have been at that time that someone of the
11 Department came up with this proposed figure of
12 \$12,000, but I couldn't tell you at this stage just
13 exactly who it was or how they had arrived at that
14 figure.

15 What I am trying to imply is that what
16 was really important, what was uppermost in our minds
17 was the principle of the thing and the fact that here
18 the Minister was apparently prepared to go ahead and
19 implement this suggestion. That was really the im-
20 portant part.

21 Q. What I am driving at is that the
22 figure of \$12,000 did not emanate from your Federation
23 at that time?

24 A. No.

25 Q. The figure, even though you are not
26 able to tell us the name of the person who put it
27 forward, emanated from some department official?

28 A. That is right.

29 Q. Now, I take it, there was going to be
30 the usual type of meetings that year as had taken place



1 English
2 for two years previously?

3 A. Yes.

4 Q. In your brief you say that these meet-
5 ings in fact took place on the 25th and 27th of February
6 1962, and that these meetings were held in Montreal.
7 Did you attend these meetings yourself as Chairman of
8 the Pilotage Committee?

9 A. I believe I did. Yes, I did.

10 Q. Also in attendance, I take it, were
11 representatives of Dominion Marine Association and the
12 Canadian Shipowners' Association?

13 A. I believe that is the case, yes, sir.

14 Q. Now, did you find any change in the
15 pattern of the demands made by the pilots at that
16 meeting or those meetings on the 26th and 27th?

17 A. No, the pattern was pretty much the
18 same as in the past. They wanted to negotiate and
19 discuss individual items or change the amount of the
20 tariff. We did discuss with the pilots and in general
21 reiterated that we wanted - we thought there was no
22 point in going on with this thing unless we could change
23 the basic concept and the pilots actually did say,
24 "Well, I will tell you what we will do. If you give
25 us all the things that we are asking for now, we will
26 be glad to study your proposals during the next year,"
27 and we didn't think that was a particularly good bar-
28 gain.

29 MR. LALONDE: Does this appear in the
30 Minutes?



1 English

2 MR. BRISSET: If I may interrupt
3 you here, Mr. Colley, in your search, before you go
4 any further in your records, would you refer to
5 Appendix 66 on page 194 of the brief, the second
6 of the brief of the Shipping Federation, and tell me
7 whether the memorandums that are incorporated in those
8 pages from 194 to 208 are memorandums that were sub-
9 mitted to these meetings by the representatives of the
10 pilots which contained their demands for the following
11 season?

12 A. Yes, that is so.

13 Q. I find that these memorandums sub-
14 mitted on behalf of the various corporations individual-
15 ly by their counsel, Mr. Lalonde. Is that what
16 you were referring to earlier when you stated in 1962
17 there was a change in the manner of presentation?

18 A. Yes, that is it.

19

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1 English

2 Q. Is there any mention at these meetings
3 of the Federation of the St. Lawrence River Pilots or
4 were they kept out?

5 A. Well, it was hard to tell who was who
6 because, as far as we were aware, certain individuals
7 were both members of the Federation and members of the
8 corporation. I do not think that at the time we were
9 so specific about it as to request them to show which
10 particular hat they were wearing at that time. It was
11 a little bit confusing.

12 Q. At page 71 of your brief, Mr. Colley,
13 you state that the officers of the Department at these
14 meetings pressed strongly for the acceptance by the
15 pilots of the principle of the guaranteed annual re-
16 muneration -- page 71, the penultimate paragraph?

17 A. Yes.

18 Q. Who was in attendance, so far as you
19 recall, on the Department's side?

20 A. I do not know. We should have minutes
21 of this.

22 Representing the Department of Transport was
23 Mr. Cumyn, Captain Shcombe, Captain Jones and Captain
24 Gendron.

25 Q. You say at this meeting -- and I repeat
26 my question -- the officers of the Department pressed
27 for the acceptance by the pilots of the principle of
28 the guaranteed annual income. Can you develop this
29 and give us an outline of how the discussions went in
30 this regard?



1 English

2 If I may put my question differently, Mr.
3 Colley, can you give us an idea of the atmosphere that
4 was reigning in these deliberations at this time?
5 Was there violent opposition by the pilots to the
6 concept or what?

7 A. Yes, violent opposition. All I can say
8 is that it was something that they did not want to
9 discuss, or certainly they did not want to make it a
10 condition of the negotiations. On the various
11 proposals that were presented we in turn could not agree
12 with the pilots that this was a matter that should be
13 negotiated item by item without any reference to what
14 it was going to do or produce.

15 Q On what chord did the meetings finally
16 terminate? Was there anything achieved at these
17 meetings in other words?

18 A. No, there was nothing achieved.

19 Q. I refer you now, Mr. Colley, to the
20 letter which is filed as appendix 68, being a copy of
21 a letter addressed by your general manager to Mr.
22 Baldwin in connection with these meetings of the 26th
23 and 27th February -- a letter dated March 9th. I
24 would like you to confirm whether this letter was in
25 fact the one sent to the Minister at the time?

26 A. Yes, it was.

27 Q. I refer you to the first heading of
28 this letter -- "Method of Calculating Effective Pilots."
29 Was that still under discussion at the time?

30 A. Oh, yes.



1 English

2 Q. Was there any decision taken at that
3 meeting with regard to this method of computing
4 effective pilots or was that still left somewhat in the
5 dark?

6 A. No. As I recall there was considerable
7 discussion on that point at that last meeting, but it
8 certainly was not resolved. As I recall the views of
9 the pilots' corporations and ourselves were very
10 divergent. It was of course because of that that we
11 addressed this letter to Mr. Baldwin, so that we might
12 have our views on record.

13 Q. Who brought that up again, this method
14 of calculating effective pilots?

15 A. I cannot be sure who raised the topic
16 in the first place, but certainly the pilots'
17 corporations wanted to make it understood that in any
18 discussions they did not agree with the statistics which
19 had been presented by the Department.

20 Q. Had you been presented with statistics
21 on the results of the preceding year prior to this
22 meeting?

23 A. Yes, we would have been.

24 Q. And that, I take it, was the occasion
25 for the disputing by the pilots of the methods
26 followed by the Department again?

27 A. Yes.

28 Q. On page 2 of this letter, Mr. Colley,
29 there is this statement made at the top of the page,
30 at page 211 of the second volume of the brief:



English

"With your Department we have a common objective at the present time to establish a guaranteed wage, with certain limitations of a minimum and a maximum. If, for example, the pilots were prepared to accept a guaranteed wage without a spread, say, of \$12,000, could anyone reasonably expect that this would be paid in full to each pilot regardless of whether or not he was available for duty?"

I see this refers to the \$12,000 target income. Was that figure mentioned at the meeting; do you recall?

A. I do not recall.

Q. Or guaranteed wage -- I am sorry.

A. I do not specifically recall. It is possible that it could have been, but my memory fails me here.

COMMISSIONER SMITH: While we are on the question of the target income or the guaranteed annual wage, it may be buried somewhere in the Shipping Federation's submissions, but was there at any time at any of these meetings an indication that the Shipping Federation of Canada suggested or agreed to a guaranteed annual income or a target figure for the pilots for any other district in Canada?

THE WITNESS: Do you mean, Mr. Smith, did we ever specifically mention a figure?

COMMISSIONER SMITH: Yes.



1 English

2 THE WITNESS: No.

3 COMMISSIONER SMITH: No figure was ever
4 mentioned?

5 THE WITNESS: No. We were talking in
6 principle only. I think we repeated many many times --
7 because that question did come up -- we repeated many
8 times that we felt quite confident that if we could
9 establish such a system and if we could agree on the
10 criteria -- that is, the workload and the other
11 considerations that went into the service of pilots --
12 we felt confident that that would be the simplest thing
13 to resolve.

14 COMMISSIONER SMITH: Were you ever asked to
15 agree to any specific figure?

16 THE WITNESS: No, never.

17 MR. BRISSET: Q. In other words, Mr.
18 Colley, as apparently there was never any agreement on
19 the principles neither side mentioned any figures?

20 A. That is correct.

21 Q. If the principle had been agreed to
22 am I right in assuming that the figures would have been
23 then a matter for negotiation between the two parties
24 interested?

25 A. Yes.

26 Q. But you never reached a stage of
27 discussing actual figures?

28 A. No, because we had never agreed in
29 principle.

30 THE CHAIRMAN: While we are on the subject



1 English

2 of the target income, in the discussion of the principles
3 was the subject of the overwork of the pilots taken into
4 account?

5 THE WITNESS: No. Again, My Lord, I think
6 we did not get down to any single specific proposal
7 because, as I say, there could be many. The example
8 that I gave recently that if it was a normal year and
9 the estimates worked out, then of course there is no
10 problem and each pilot would end up getting exactly
11 the target income; but if there was slightly more
12 traffic, say, not enough traffic to warrant adding to the
13 pilot force (because you do not want an undue workload)
14 but perhaps a reasonable increase in traffic, then this
15 would provide the scope for pilots to do additional trips
16 over and above what was expected and calculated and
17 thereby earn that much more than the basic target income.

18 I think it could be done in so many ways.
19 It could be done as just one flat fee, the same way as
20 the civil servant is paid; but we think that that has
21 some features that might not be so good and we would
22 prefer to have some element of incentive remain.

23 MR. BRISSET: Q. The Chairman was asking
24 you, if I understood the question correctly, what could
25 be done to correct a situation that might develop during
26 a year when it was realized that the traffic was much
27 greater than expected and the pilots might be overloaded.
28 What is the remedy to this? I am sure you would not
29 want tired pilots piloting your ships?

30 A. No, certainly not. The remedy to this,



1 English

2 of course, is additional pilots.

3 You must, of course, as far as possible
4 endeavour to predict what the patterns are going to be.
5 To quite a large extent that can be done and it can be
6 done fairly intelligently. I would not say that that
7 would completely rule out a sudden burst of activity,
8 such as the Russian grain ships last fall; but nonethe-
9 less within the framework and the setup that you have
10 you are no worse off, or the individual pilot is no
11 worse off under this proposed setup than he would be
12 under the way that they have been working these past
13 few years.

14 I think when the initiative is resting, or
15 the responsibility is resting on the part of a pilotage
16 authority and the shipping interest to make sure that the
17 whole thing balances out -- that is, the pilots and
18 their workload and their fair remuneration, then the
19 machinery should work like clockwork. Then we should
20 not get involved in disputes with the pilotage groups
21 and so on -- "We want five extra pilots because we
22 are being overworked. We want ten extra pilots
23 because we are being overworked" -- when in fact it is
24 fairly obvious that they are not being overworked and
25 that they are requesting additional pilots because they
26 can see the earnings are spiralling and they would
27 like to inject a few more pilots in there so that the
28 average income on the statistics at the end of the year
29 will not look quite so bad.

30 It is getting rid of these artificial



1 English

2 considerations that I think can go so far to improving
3 the whole pilotage setup, and then being able to
4 concentrate on piloting instead of manipulating.

5 Q. If I may pass on, Mr. Colley, to the
6 first paragraph on page 72 of your brief, when you
7 say that following the inter-departmental meetings
8 the Shipping Federation was approached to have a
9 meeting with a small delegation of harbour pilots, in
10 other words you have here a group that wanted apparently
11 to meet with you?

12 A. Yes.

13 Q. Would you tell us what happened in
14 these meetings?

15 A. To go back... I am sorry if I have
16 not had a chance to completely review this, but let
17 me speak just as best as I can from memory, and I am
18 going to refresh my own memory as this goes along.

19 One of the requests of the Montreal Harbour
20 pilots at this time was to have all pilots changed at
21 Long Point. In other words, docking pilots should
22 take over and no longer should the river pilots dock
23 the ships. If my memory serves me correctly,
24 this was the particular point that was to be discussed
25 by this small delegation. We in turn had to point out
26 to this delegation that although we could see merit in
27 the idea of docking pilots in the harbour, Long Point
28 was not a practical place to change the pilots.
29 Rather if this were to be done at all the logical
30 thing would be to change pilots at Lanoraie and change



1 English

2 the present division of the district -- instead of
3 changing pilots at Three Rivers, change them at
4 Sorel. This all came up in rather impromptu style.

5 Also at this particular time we discussed with
6 this delegation what they thought of the target income
7 business and the guaranteed wage. We were surprised to
8 find that they rather liked it. They thought it was
9 good.

10 Well, away they went and then very quickly
11 after that I think it was Mr. Lalonde who asked for
12 a meeting. Then the corporation people came back to
13 re-negotiate all these things and the atmosphere was
14 a little bit different. This was no longer the
15 policy that this small delegation had mentioned to us.
16 They had perhaps been talking a little bit off the
17 record, but it was then straightened out. No, there
18 was to be no question at all of changing pilots at
19 Sorel.

20 Q. At Long Point?

21 A. And there was no question whatsoever
22 of considering this target income.

23 THE CHAIRMAN: We will adjourn now until
24 tomorrow morning at 10.00 o'clock as usual.

25 --- Whereupon the hearing was adjourned until 10.00
26 a.m. on Tuesday, February 11, 1964.

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ROYAL COMMISSION

ON

PILOTAGE

HEARINGS

HELD AT
MONTREAL

P. Q.

VOLUME No.:

105

DATE:

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ROYAL COMMISSION ON MARINE PILOTAGE

Proceedings of the hearing held
in the Windsor Hotel, Montreal,
Quebec, on Tuesday, February 11,
1964

COMMISSION:

The Honourable Mr. Justice Bernier	- Chairman
Mr. Robert K. Smith	- Member
Mr. Harold A. Renwick	- Member
Mr. Gilbert Nadeau	- Secretary

COMMISSION COUNSEL:

Mr. Maurice Jacques

PRESENT:

Mr. L. Langlois, Q.C.	For the Canadian Merchant Service Guild
Mr. J. Brisset, Q.C.	For the Shipping Federation of Canada
Mr. Marc Lalonde	For the Federation of St. Lawrence River Pilots; Corporation of the Lower St. Lawrence Pilots; the Corporation of the Montreal Harbour Pilots; the Corporation of the Mid-St. Lawrence River and Seaway Pilots; the Cor- poration of the Upper St. Lawrence Pilots



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13046

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* * * * *



Montreal, Quebec,
Tuesday,
February 11, 1964

13046

English

---Upon resuming at 10.00 a.m.

HERBERT COLLEY, recalled, sworn

DIRECT EXAMINATION BY MR. BRISSET (Cont'd):

Q. Mr. Colley, you were telling us yesterday at the adjournment of the meeting you had had on March 5th with the delegation of the Montreal Harbour Pilots and the discussions which took place and you told us that there was a subsequent meeting on March 8th when, according to your brief, it was indicated that if the shipping interests were prepared to support the pilots' requests for increases in the tariff in 1962 the pilots, in turn, would agree to freeze the tariffs for two years and give consideration to the proposal related to the guaranteed target annual income.

I would like you to develop what happened at that meeting of March 8th, and first of all I would like you to tell me who made this proposal first.

A. Well, perhaps the best thing to do, actually, is to read from a memorandum of that meeting. I have here a memorandum that was prepared by Captain Matheson after this meeting. I might just read it to give the general gist of what took place.

Q. Before you do it, Mr. Colley, will you tell us whether you were present yourself at that meeting?

A. Yes, I was.

Q. You were?

A. Yes. The memorandum is in the following terms



English

"A meeting between a subcommittee of our Pilotage Committee and Mr. Marc Lalonde, accompanied by six Harbour Pilots, including the President, Pilot Long, was held in this office on March 8th. Mr. Lalonde stated that he requested the meeting on account of discussions which Pilot G. Long had with Mr. H. Colley, and, subsequently, the discussion he had with Captain Matheson of Shipping Federation. Mr. Lalonde explained that he had a proposal to make and hoped to get the reaction of the Federation to his proposal prior to March 15th.

"Mr. Lalonde then referred to Part II of the Montreal Harbour Pilots' submission to the Pilotage Authority dated February 27th, entitled 'A Sliding Scale on Net Tonnage of Ships both Inland and Foreign.' His proposal was that Shipping Federation give favourable consideration to the 'Sliding Scale on Net Tonnage' proposal of the pilots. In return the Harbour Pilots would agree to freezing the proposed tariff for a two-year period, during which time the pilots would give earnest consideration to the Federation's



English

proposal to the effect that a stable wage policy for pilots, based on a guaranteed target income, be set up in each District in conjunction with agreed upon upper and lower levels of income.

"At the last meeting of our Pilotage Committee held on March 14th, it was agreed that the following counter-proposal be submitted to Mr. Marc Lalonde, providing, however, that Mr. Alan Cumyn, Director of Marine Regulations, approved of the actions of the Federation in this regard. The counter-proposal of our Committee is to the effect that our Committee will give favourable consideration to Mr. Lalonde's proposal which will involve an increase in the average 1961 earnings of the pilots in the amount of approximately five per cent, providing, however, that the Harbour Pilots will give immediate effect to the Federation's objective to establish a stable wage policy for pilots, based on a target income to be set up in each District in conjunction with agreed upon upper and lower levels of income.

"On March 15th, Mr. Alan Cumyn was



1 English

2 was consulted with respect to develop-
3 ments between the Federation and the
4 Montreal Harbour Pilots. Mr. Cumyn's
5 reaction was that he would not permit
6 Mr. Lalonde to drive a wedge between
7 the Department and the Shipping Federa-
8 tion; on the other hand, he was very
9 pleased that we had discussions with
10 the pilots, and he hoped the Federation
11 would continue to have discussions with
12 the pilots in the future. He was
13 opposed, however, to the Federation's
14 counter-proposal on the grounds that
15 the Department of Transport had des-
16 patched a letter to the pilots reject-
17 ing all their proposals involving
18 monetary matters.

19 "Mr. Lalonde, on account of the
20 Pilots' convention was unavailable until
21 the morning of Monday, 19th March. The
22 writer, at that time, advised Mr. Lalonde
23 that our Pilotage Committee were con-
24 sulted regarding this proposal and that
25 the view of our Committee was that we
26 had previously taken a certain stand
27 with the Department of Transport
28 to the effect that a stable wage policy
29 for pilots be established, based on a
30 target income being set up in each



English

District, consequently our Committee feels that we would be breaking faith with the Department if we now didn't give favourable consideration to its proposal. Mr. Lalonde then stated that he wouldn't now have to give consideration to making further recommendations to Mr. Alan Cumyn.

"On Wednesday, 20th of March, Mr. Alan Cumyn telephoned this office to advise that Mr. Marc Lalonde and Pilot A. Bedard, representing the Federation of St. Lawrence River Pilots, had a meeting with Mr. J. R. Baldwin, Deputy Minister of Transport, the previous day. At this meeting, Mr. Lalonde proposed to the Deputy Minister that the Federation of St. Lawrence River Pilots should be given some monetary concessions this year and in return the various Pilots' Corporations would agree to freezing the tariff for a period of two years, during which time the pilots would give consideration to the joint proposal by the Department of Transport and the Shipping Federation to the effect that a target income be set up in each District in conjunction with agreed upon upper and lower levels of



English

income.

"Mr. Cumyn stated that the Deputy Minister was not opposed to the proposal put forward by Mr. Lalonde and Pilot Bedard; consequently, he suggested that a small delegation from the Federation attend a meeting in Ottawa the following day. Apparently at the proposed meeting, Mr. Booth, Assistant Deputy Minister, and Mr. Cumyn would represent the Department and Mr. Marc Lalonde and Pilot Bedard would represent the Federation of St. Lawrence River Pilots. Mr. Cumyn was advised that it was quite impossible for a delegation from the Shipping Federation to meet in Ottawa before the following week. In this connection, it was pointed out to Mr. Cumyn that our Committee had a confirmed meeting with the Minister of Transport at 3.30 p.m., on Tuesday, 27th March, and the suggestion was made that our Committee may meet with the Deputy Minister that same day.



1 English

2 MR. LALONDE: Could that document be
3 tabled, please?

4 MR. BRISSET: I will file this docu-
5 ment as Exhibit 941.

6 ---EXHIBIT NO. 941: Memorandum on the discussions
7 which took place between the
8 Pilotage Committee of the
9 Shipping Federation and the
10 Montreal Harbour Pilots
representatives, including
a recital of subsequent events.

11 MR. BRISSET:

12 Q. Now, Mr. Colley, I would like an explana-
13 tion from you on the reasons that brought about this
14 counter-proposal to the pilots of the Montreal Harbour,
15 keeping in mind this, that they were asking for an
16 increase in the tariffs which you are opposing and
17 the Department was opposing, but still you appeared
18 in the counter-proposal to be willing to grant this
19 increase. A. Certainly, as a matter of principle we
20 were strongly opposed to any increase as we felt that
21 the pilots were adequately paid at the time; we didn't
22 think there was a need for a further increase. On
23 the other hand, we were most anxious to establish a
24 new system of target income, and as you know, and as
25 we have recited, this has been our objective for
26 several years and we didn't seem to be getting very
27 close to it. The closest we had come up to this time
28 was an indication from the pilots that they would give
29 it serious consideration over the next year or two.

30 Consequently, when weighing up the



English

two principles I suppose you might say, as a matter of tactics, that what we looked at was the possibility of making a breakthrough in accomplishing the target principle -- and at the price of an increase to the pilots. In other words, I think we felt that it would be worth it to give an increase which we didn't feel was justified, if in so doing we could advance our implementation of the target income concept.

Q. In one district?

A. Yes.

Q. In other words, this was a wedge in the pilots' armour?

A. Yes.

Q. However, I notice from this memorandum that the Department took the opposite view, that, on the contrary, if you made this counter-proposal it would be driving a wedge between the Department and the Shipping Federation?

A. Yes; the Department, apparently, had already taken a stand with the pilots. They had written letters to the pilots. We were not aware of what had been written. We were advised that the letters had been despatched, but the contents and proposals in them were not made known to us. In fact, I might say that they never were made known to us, and I believe it was only when these letters were tabled with the Commission eventually that they became known to us.

Q. I would like to refer you, in this connection, to the third paragraph, page 72, where you say:



English

"On March 14th, 1962, the
Shipping Federation was advised by the
Department of Transport that the request
of the pilots for increases in the
tariffs in each of the districts had
been denied . . ."

Is that what you were referring to as the advice
that you had from Mr. Baldwin . . .?

A. Yes.

Q. . . . when he said that you should
not make this counter-proposal?

MR. LALONDE: The witness said "Mr.
Cumyn" not "Mr. Baldwin".

THE WITNESS: Yes; Mr. Cumyn.

MR. BRISSET: Mr. Cumyn. I am sorry.
So that there is a slight mistake, if I may bring it
to the attention of the Commission, in the paragraph
which reads:

"On March 14th, 1962, the
Shipping Federation was advised . . ."

That should read:

"On March 15th, 1962, the
Shipping Federation was advised by
the Department of Transport, that by
letter dated March 14th . . ."

Would you refer, Mr. Colley, to Appendix . . .

A. May I interrupt?

Q. Yes.

A. I think there is a little confusion



1 English

2 here. On March 14th we did receive a copy of a letter
3 dated March 14th, from Mr. Cumyn to Mr. Lalonde; in
4 which Mr. Cumyn comments on the various proposals of
5 the pilots.

6 Q. Would you refer to Appendix 59 and
7 tell us whether this is the letter which you are
8 referring to?

9 A. Yes, this is the letter.

10 Q. Well, if I may put this to you, Mr.
11 Colley: If you received this letter on March 14th
12 certainly on March 15th you knew its contents and you
13 therefore knew that the request of the pilots had been
14 denied?

15 A. Yes.

16 Q. I want to . . .

17 A. As I stated before, I would refer you
18 to the individual letters sent by the Department
19 directly to the pilots. It was those letters that
20 we were not aware of.

21 Q. Would you explain what you have in
22 mind by "individual letters to the pilots"?

23 A. Well, as I am not familiar with what
24 the contents of those letters were I can't comment on
25 them to any great degree, but I assume, from subsequent
26 events, that there were matters taken up or mentioned
27 in those letters that were not contained in the letter
28 of general comments from Mr. Cumyn to Mr. Lalonde on
29 March 14th.

30 Q. Well, at all events, let us clear up



1 English

2 this letter of March 14th and determine when you were
3 informed of this letter; was it in the conversation you
4 had with Mr. Cumyn on March 15th, or was it earlier?

5 I admit frankly that I am thoroughly
6 confused.

7 A. No. I assume that this letter of
8 March 14th would have been received at the office of
9 the Federation possibly the following day, on March
10 15th.

11 Q. Anyway, Mr. Cumyn informed you that
12 the request of the pilots had been denied?

13 A. Yes.

14 Q. For increases in the tariff?

15 A. Yes.

16 Q. And if I read that letter, Appendix . . .

17 MR. LALONDE: Was that not the
18 meeting of March 8th? Did he inform you to that
19 effect at the meeting of March 8th? No. You had
20 a meeting later on and there was the memorandum you
21 read. You had a meeting with Mr. Baldwin at which
22 date he had taken a strong stand, which is referred
23 to in the memorandum prepared by Captain Matheson.

24 Was it at that meeting that this was
25 raised?

26 THE WITNESS: No. The meeting with
27 Mr. Lalonde and the pilots took place on March 8th,
28 and only on March 15th was Mr. Cumyn consulted; and
29 this was by telephone. So we were consulted on pre-
30 cisely the day that we should have received this



1 English

2 letter. So perhaps at the time we were aware, or
3 we may not have been aware; but the only point I was
4 trying to make was that Mr. Cumyn referred to advice
5 that he had sent to the pilots.

6
7 -
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14 (Page 13059 follows)
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30



1 English

2 Q. Well, that could only be this letter
3 of March 14th, regjecting the tariff increase because
4 that is what he said to you. They had rejected the
5 tariff increases?

6 A. Yes, that is possible.

7 Q. I would like you to refer to this
8 letter of March 14th, 1962, Appendix 69, page 213 of
9 the second volume of the brief of the Federation. I
10 would like to draw your attention to the statement
11 contained at page 215 at the bottom of the page, where
12 Mr. Cumyn stated:

13 "This Department, however, appre-
14 ciates the desire of the pilots for
15 some stabilization in their income,
16 and I would propose to return again
17 to this suggestion at a later stage
18 in my letter."

19 He was dealing there with the Montreal Harbour Pilots.

20 Also on page 217 where he stated this
21 at the bottom of the page:

22 "I would again like to bring to
23 the attention of all the pilots our
24 proposal that a target income be set
25 up in each District in conjunction
26 with agreed upon upper and lower levels
27 of income. The application of such
28 a concept would assure the pilots of
29 a minimum income, irrespective of any
30 slump that may occur in shipping, would



English

enable them to enjoy within certain limits the fluctuations in yield provided by the tariff and finally, would protect the shipowner against excessive costs.

"Our opinion is that all concerned would be better off ---"

there seems to be a word missing.

"--- income could be stabilized in this way because the pilots would then have protection in case of a drastic fall-off in shipping traffic and the shipowner would be in a position to forecast his costs with reasonable accuracy."

Now, Mr. Colley, were these words that Mr. Cumming used correctly outlining the policy which you had yourself advocated up to that time at this particular point?

A. Yes. It certainly expressed the principle of what we were endeavouring to establish.

Q. Were you aware at the time whether the Department had serious discussions with the Pilots on this very point?

A. At this precise time?

Q. Yes.

A. No, I can't be sure whether they had. Certainly within that area of time, whether it was prior to this or after, serious discussions were held but whether it actually pre-dates this letter, I am



1 English

2 not able to say offhand.

3 COMMISSIONER SMITH: Excuse me. In
4 the penultimate paragraph of this letter it says:

5 "Under this concept the pilots,
6 having agreed with the shipowners and the
7 Department upon the target income in any
8 district --"

9 and it goes on to mention some other things there, it
10 would seem to me to indicate that everybody knew what
11 was going on and everybody was pretty well in agreement
12 with the principle of the target income.

13 THE WITNESS: No, definitely not.

14 COMMISSIONER SMITH: Is that not right?

15 THE WITNESS: Definitely not. I
16 think what Mr. Cumyn meant in this last sentence was
17 "provided all agreed".

18 COMMISSIONER SMITH: He says "having
19 agreed".

20 THE WITNESS: Yes, "having agreed".
21 I think the interpretation of the meaning there is
22 "if they agree".

23 MR. JACQUES: Or "once they have
24 agreed".

25 THE WITNESS: "Would in their tariff
26 discussions with the Department concern themselves
27 only with the problem of setting a tariff rate which
28 would achieve the agreed upon target income."

29 COMMISSIONER SMITH: I was interpreting
30 that "having agreed" as meaning something that was.



1 English

2 in the past and that was settled.

3 THE WITNESS: No. I think this is
4 a little misleading. It has not been agreed.

5 MR. BRISSET:

6 Q. Mr. Colley, yesterday in your previous
7 evidence you had indicated to us that the Department
8 did not in fact give you any indication that they were
9 supporting the Federation in their stand on this ques-
10 tion. Is it correct to assume that from then on,
11 that is from March, 1962, the Department has changed
12 its attitude and was in fact in accord with your
13 proposals?

14 A. Yes, I would say that is the case,
15 that there has been a definite change on the part of
16 the Department. There was, let me say -- considerable
17 more resolve to proceed with this new concept.

18 Q. In your brief on page 73 you refer
19 to a letter which you wrote to the Department on March
20 9th, 1962, Appendix 68, dealing mainly with computa-
21 tions of workloads of the pilots. We have already
22 discussed this letter at length. I do not mean to
23 go back on it. However, you state on page 73 that
24 after the events of March 15th, that is your conver-
25 sation with Mr. Cumyn, there followed a series of
26 discussions between the Minister of Transport, the
27 Federation of St. Lawrence River Pilots and I assume
28 also your Federation, and as your brief is very
29 scanty in giving us details of this, perhaps you could
30 give us a fuller account of what transpired in the days



1 English

2 that followed.

3 A. Yes, I think I can. I can give you
4 the sequence of events. I think the last thing, we
5 were up to the point where on the 15th of March the
6 Federation had been in touch with Mr. Cumyn on the
7 question of the Harbour Pilots proposals.
8 Then also on that date presumably we received a letter
9 from Mr. Cumyn.

10 Now, let me read from a memorandum
11 again drawn up by Captain Matheson, dated March 21st,
12 1962:

13 "Mr. Alan Cumyn, Director of Marine
14 Regulations, telephoned this office at
15 10.00 a.m. on Wednesday, 21st March, to
16 advise that Mr. Marc Lalonde and Pilot
17 A. Bedard, representing the Federation
18 of St. Lawrence River Pilots, had a
19 meeting with Mr. J. R. Baldwin, Deputy
20 Minister of Transport, the previous day.

21 "Apparently Mr. Lalonde put forth
22 a proposition to the Deputy Minister
23 that the Federation of St. Lawrence
24 River Pilots should be given some monetary
25 concessions this year and in return the
26 Federation of St. Lawrence River Pilots
27 would agree to freeze the tariff for a
28 two-year period, during which the various
29 corporations in the Pilots' Federation
30 would give consideration to the joint



English

proposal by the Department of Transport and the Shipping Federation for a target income to be set up in each District in conjunction with agreed upon upper and lower levels of income.

"Mr. Cumyn stated that the Deputy Minister was not opposed to the proposition put forward by Mr. Lalonde and Mr. Bedard. Mr. Cumyn suggested, therefore, that a small delegation from the Federation meet the following day with Mr. C. S. Boothe, Assistant Deputy Minister, and himself (Mr. Cumyn) and that Mr. Lalonde and the Pilots also be invited to the meeting. Mr. Cumyn was advised that it was quite impossible for a delegation from the Federation to meet in Ottawa for the remainder of this week. I pointed out to Mr. Cumyn that our Committee had a confirmed meeting with the Minister of Transport at 3.30 p.m. on Tuesday, 27th of March, and that I would contact the Department before noon on Monday, at which time the Department would be advised of our views regarding a meeting with the Department of Transport officials and the Pilots to consider Mr. Cumyn's proposal."

MR. LALONDE: My lord, we have a



1 English

2 witness in the box who is reading a document written
3 by another person who is present in this hall, which
4 person is reporting a conversation with a third person,
5 who is reporting a conversation between a fourth
6 person, a fifth and sixth person; the fifth and sixth
7 persons being in this hall.

8 Mr. Bedard was in the box for days
9 and days and surely he would have been very happy to
10 answer any question of what transpired during that
11 meeting between himself and the Deputy Minister. I
12 think we are getting pretty far-fetched evidence
13 when the direct evidence was in this hall.

14 THE CHAIRMAN: I think you are right
15 in that. The document was read but it might lengthen
16 quite a bit the inquiry if we have to prove everything
17 by every witness. In any event, I hope that some way
18 will be found not to be too long, but, on the other
19 hand, be more lenient.

20 MR. BRISSET: I quite appreciate the
21 point, my lord. What we are really coming to are
22 the meetings themselves attended by Mr. Colley. What
23 preceded those meetings, how they came about, is
24 perhaps not too important, but if those directly to
25 concern ~~the~~ ~~named~~, Mr. Bedard and Mr.
26 Lalonde, do not agree with any of the statements made,
27 I am sure they will be given a full opportunity to
28 give their own side sides of the story.

29 THE CHAIRMAN: Of course, I have no
30 objection to Mr. Colley looking at the notes prepared



1 English

2 by Captain Matheson as long as Mr. Colley was there
3 at those meetings. If everything that is recorded
4 therein in those memoranda that you are referring to
5 are matters of which he has personal knowledge, that
6 is all right, but when he is reading something that
7 somebody else has said, well, that is irrelevant.

8 MR. LALONDE: My lord, I certainly
9 would not let go unchallenged the statement by my
10 friend that if what Mr. Colley has read is not
11 correct, he is sure Mr. Bedard and myself would stand
12 up and object to it. He is putting his evidence in
13 and that is his duty. It is not my job to stand up
14 and bring out evidence for him. I am sure he will
15 agree with that.

16 THE CHAIRMAN: There is no doubt that
17 in weighing the evidence we certainly are not going to
18 take as proven what is reported in that, what another
19 party has said. It is hearsay, as a matter of fact
20 the hearsay rule. So, if you feel something impor-
21 tant is hearsay, you should take a note of that, but if
22 it is not very material, that is all right.

23 MR. BRISSET: My lord, I simply want
24 to make the point that there were meetings going on
25 between the Pilots and Department officials at the
26 time. Exactly what happened at the meeting, we don't
27 know except by hearsay or we have no means of proving
28 what actually happened, but the point I want to make is
29 that there were meetings that led up to subsequent
30 meetings being convened.



1 English

2 MR. LALONDE: Is my friend serious in
3 arguing that when he says he has no way of proving
4 there were meetings between the Pilots and the Depart-
5 ment at the time?

6 THE CHAIRMAN: Of course, he will
7 have that opportunity when we are in Ottawa to have
8 this established and I am pretty sure that is going to
9 be done.

10 MR. LALONDE: Yes.

11 MR. BRISSET:

12 Q. Will you proceed with the recital
13 of the events, Mr. Colley, from where you were?

14 A. Well, the next notes I have pertaining
15 to the meeting that took place in Ottawa on the 27th of
16 March.

17 Q. Between whom and whom?

18 A. The 27th of March, 1962. The first
19 meeting which was held -- I don't know the time-- was
20 with Mr. Baldwin, Deputy Minister, Mr. Boothe,
21 Assistant Deputy Minister, Captain Slocombe, Chief
22 Nautical and Pilotage Division, Captain Jones,
23 Superintendent of Pilotage, and representing Shipping
24 Federation was Mr. Colley, Mr. Evans, Captin Gendron,
25 Mr. Mearns and Captain Matheson; representing the
26 Shipowners' Association, Mr. Fisher, and representing
27 Dominion Marine Association, Mr. Mahoney.

28 Q. That was on the 27th of March?

29 A. That was on the 27th of March, yes.

30 Q. In whose office?



English

A. The office of the Deputy Minister.

Q. Mr. Baldwin?

A. Yes.

Q. Will you tell us what transpired at that meeting?

A. Am I allowed to read this?

Q. If it is in conformity with your recollection.

A. It is, indeed.

"Mr. Baldwin welcomed the members of the Shipping Interests to the meeting and suggested it was a mutual problem in connection with pilotage which he wished to discuss. Mr. Baldwin advised that he had had a meeting with Mr. Marc Lalonde and Pilot Bedard, both representing the Federation of St. Lawrence River Pilots. At the meeting, Mr. Lalonde had submitted a proposal to the effect that the Federation of St. Lawrence River Pilots should be given some monetary concessions and in return the various St. Lawrence Pilotage Corporations would agree to freezing the tariffs for a period of two years, during which time the Pilots would give earnest consideration to the joint proposal by the Department of Transport and the Shipping Federation that the target income be set up in conjunction with agreed upon upper



English

and lower levels of income.

"Mr. Baldwin felt that the proposal by Mr. Lalonde warranted earnest and serious consideration on the grounds that their monetary demands were modest. He also indicated the Pilots' proposal was very attractive to the Department of Transport, particularly since it contained a guarantee of security without further monetary demands from the pilots for a two-year period.

"He said that he felt the proposals should be fully explored at this meeting and he asked for comment from the Shipping Interests.

"Mr. Colley described developments between the Harbour Pilots and the Shipping Federation subsequent to the succession of meetings in Montreal under the jurisdiction of the Department of Transport. On March 8th, Mr. Lalonde and the Harbour Pilots had met with representatives of the Federation and, at that time, Mr. Lalonde's proposal only involved the Montreal Harbour Pilots; apparently the proposal now covered all the Corporations in the Federation of St. Lawrence River Pilots. Mr. Baldwin confirmed that such was the case.



English

"Mr. Colley further indicated the proposal may be acceptable to the Shipping Interests providing the pilots would immediately accept the target concept. He suggested, for the consideration of the Deputy Minister, that such proposal be considered for the Harbour Pilots only at this time.

"After some further general discussion, Mr. Baldwin agreed that the Shipping Federation counter-proposal warranted further consideration. He felt that the mechanics for giving effect to the target income concept could be worked out by the Shipping Interests and submitted to the Harbour Pilots within one month.

"Mr. Baldwin eventually agreed, however, that the mechanics for giving effect to the target income concept should be a joint effort between the Shipping Interests and the Department.

"The Chairman advised the meeting that Mr. Lalonde and Pilot Bedard had had a recent meeting with the Minister of Transport, when Mr. Lalonde's proposal was fully discussed. Mr. Baldwin had no idea as to the Minister's thoughts on the proposal. Neither he could



1 English

2 he forecast what course of action the
3 Minister might follow at the meeting
4 scheduled for three-thirty that after-
5 noon."

6 Q. That meeting was scheduled at 3.30
7 with whom?

8 A. With the Minister of Transport.

9 Q. And the Pilots?

10 A. No, with our group.

11 "The question of an appropriate
12 formula for working out the effective
13 number of pilots was discussed at some
14 length. The Shipping Interests were
15 strongly in favour of the formula for
16 working out the effective number of
17 pilots that had been in effect for the
18 last few years. Captain E. S. Slocombe,
19 supported by the Deputy Minister, favoured
20 the Pilots' proposal for working out the
21 effective number of pilots. Mr. Baldwin
22 agreed to give the matter further con-
23 sideration in conjunction with the proper
24 officers of his Department."

25

26

27

28

29

30



English

Q. That was on the 27th March, 1962?

A. Yes.

Q. And your delegation, I take it, returned to Montreal?

A. That is correct.

Q. What was the subsequent event in the chain of events insofar as the Shipping Federation of Canada is concerned after this meeting with the Minister?

A. I believe I am correct in saying that that was the last communication or discussion that took place until the following week when we were advised that the pilots would not be available for duty, that they were going to attend meetings.

Q. In other words, nothing happened from the 27th until the telegram of the Federation of St. Lawrence River Pilots to the Minister dated April 4th, 1962, which is reproduced at page 73 of your brief?

A. Yes.

Q. And the strike then started?

A. That is correct.

Q. Once the strike started on the 5th, will you tell us what was the subsequent important event insofar as your Federation was concerned?

A. Yes. I will just ignore this immediate exchange of telegrams. They are in the record. I should make reference to the letter from Mr. Balcer to Mr. Lalonde of April 5th.

Q. This letter from Mr. Balcer to Mr. Lalonde of April 5th, 1962 is the letter which is



English

Appendix 70 in volume 2 of the Shipping Federation's brief; is that correct, Mr. Colley?

A. Yes, that is correct.

Q. I would refer you to this letter, the fifth paragraph thereof. Have you the letter before you?

A. Yes, I have.

Q. I would like to quote this fifth paragraph:

"I learned from them that following the meetings in Montreal in which my officials participated an approach had been made to the Shipping Federation of Canada, Inc., on behalf of the Montreal Harbour pilots on the basis of an increase in that district this year to be related in some fashion to possible trial of a target income scheme. Apparently the Federation felt that they could not carry this matter further, even though otherwise they would have been prepared to enter into negotiation on this basis. In the circumstances I have indicated to the Federation that I saw no reason why they should not immediately proceed with these discussions."

Am I right in assuming that the Minister more or less was overruling his officer Mr. Cumyn in what Mr. Cumyn had told you?

A. Yes; that is the interpretation that we took from this paragraph.



1 English

2 MR. LALONDE: The first part of the
3 statement is denied -- the witness's statement, the
4 text which was read. It has been denied by a previous
5 witness, the President of the Montreal Harbour pilots.

6 MR. BRISSET: Q. I believe, Mr. Colley,
7 it is pointed out to you that the Montreal Harbour
8 pilots have denied that they ever made any proposal of
9 the nature indicated in the correspondence you have
10 read and the memos you have read?

11 A. Oh, I see -- specifically what is
12 referred to in the memoranda that we have read this
13 morning?

14 Q. Yes.

15 A. Oh, I see.

16 Q. At all events I am coming back to my
17 question. Was that construed by your Federation as
18 an overruling of the policy decision made earlier by
19 Mr. Cumyn?

20 A. Yes.

21 Q. Was anything done to resume negotiations
22 with harbour pilots at that time?

23 A. No. By that time the strike was on.

24 Q. Oh, the strike was on. Do you know
25 when you received a copy of this letter of April 5th to
26 Mr. Lalonde? Is there an indication in your file?

27 A. No, I am sorry; it is not indicated.

28 Just a minute; I am sorry -- yes, under
29 cover of a letter dated April 5th from Captain Seacombe
30 of the Department of Transport to Mr. Nearn of the



1 English

2 Shipping Federation and under the Department's file
3 No. 8500-9.

4 MR. LALONDE: Excuse me -- 8500?

5 THE WITNESS: -9.

6 MR. LALONDE: Is that a letter by Captain
7 Slocombe accompanying this letter?

8 THE WITNESS: That is correct, covering
9 this.

10 MR. BRISSET: Q. Would you simply read
11 it for the record as I believe it is short?

12 A. "I enclose herewith for your
13 information a copy of the English version of
14 a letter which has been sent by the Minister to
15 Mr. Marc Lalonde, which letter is self-
16 explanatory."

17 MR. LALONDE: Did you say "translation"?

18 THE WITNESS: English version.

19 MR. LALONDE: In fact, the original.

20 MR. BRISSET: We have to rely on what the
21 letter says.

22 MR. LALONDE: Well, Appendix 70 says
23 "for French translation."

24 MR. BRISSET: That is the way it came.

25 Q. Mr. Colley, I would like also to
26 draw your attention to another statement made by the
27 Minister in this letter, at the bottom of page 219.

28 "While our views remain that at present
29 there is no case for a tariff increase in these
30 districts because, in fact, pilot income has



English

gone up substantially in recent years as it is,
and because there is a reasonable indication
that it will go up again this year without a
tariff increase. Nevertheless I have indicated
to the shipping groups that I feel they should
be prepared to take a similar approach to the
Montreal River and Cornwall Districts if the
respective pilot committees are similarly in-
clined."

In other words the Minister was also giving
the green light to the ending of the Montreal River
and Cornwall District pilots' demands on the same
basis as the Montreal Harbour pilots?

A. Yes.

Q. That is how you construe this letter?

A. That is correct.

Q. Is it also because the pilots were
on strike that no action was taken on this proposal?

A. Yes, that is so.

Q. Will you go on with the story of the
events and tell us what is the next important event
and possible meeting with the Department officials?

A. On April 9th we had a request from
Mr. Baldwin for our delegation to come to Ottawa for
further meetings, which we did.

Q. This request came to the Shipping
Federation from Mr. Baldwin; is that right?

I know the file is bulky, Mr. Colley, and
perhaps the Commission will be indulgent if it is



1 English

2 difficult to find the document.

3 A. Yes -- apparently. I say "apparently"
4 because I was not there; but I am informed that Mr.
5 Baldwin called Mr. Mearns of the Shipping Federation.
6 We were duly advised and we went to Ottawa.

7 Q. On what day did you go to Ottawa?

8 A. On the 9th April, 1962.

9 Q. It was a Monday, I believe? Well,
10 that is not too important. Did you go yourself as
11 Chairman of your Pilotage Committee?

12 A. Yes, I did.

13 Q. Would you tell us what transpired at
14 this meeting with Mr. Baldwin?

15 A. Well, to do so I will have to read
16 from minutes of a meeting that took place. This is
17 a meeting of the Pilotage Committee and the executive
18 council of the Shipping Federation that took place on
19 April 11, 1962.

20 Q. Why do you have to refer to this
21 particular document?

22 A. Because it was at this meeting that
23 we reported what had taken place in Ottawa.

24 Q. In other words that you reported on
25 your interview or meeting with Mr. Baldwin?

26 A. Yes, that is correct. I do not know
27 if you want the names of all the people who were
28 present at this meeting?

29 Q. Well, perhaps we can file the minutes
30 in this particular case.



1 English

2 A. Yes.

3 Q. If the Commission will allow.

4 A. In any event I was there; in fact I
5 acted as Chairman of the meeting.

6 "The chairman advised on developments
7 which had occurred since the pilots refused
8 their services as of midnight, April 5th and
9 referred to the Honourable Mr. Balcer's various
10 statements in the House of Commons since that
11 time. He stated that at the meeting with
12 Mr. Balcer in Ottawa on Monday, April 9th,
13 Mr. Balcer had indicated that he was in full
14 agreement with the Federation's stand in this
15 matter and that he had been encouraged by the
16 support the Federation had given his Department
in this emergency."

17 Q. Would you let me interrupt you? I
18 had understood the meeting of April 9th was to be
19 with Mr. Baldwin. In fact was it with Mr. Balcer,
20 the Minister himself?

21 A. Let me just refer to this note. I
22 think it will clarify that point for you.

23 This is a note that appeared in the file
24 in respect to the telephone conversation between Mr.
25 Mearns and Mr. Baldwin.

26 "Mr. Baldwin telephoned at 9.30 a.m.
27 this morning and advised that the Minister
28 would now like to see us at 3.30 p.m.
29 Therefore Mr. Baldwin suggested we meet him
30 at his office at 2.15 p.m."



1 English

2 In other words Mr. Baldwin made the
3 arrangement for the meeting and Mr. Baldwin was
4 present, but it was really a meeting convened by the
5 Minister.

6 Q. All right; will you proceed?

7 A. ^{Mr. Balcer had also indicated} "Mr. Balcer had also indicated that a
8 a public inquiry would be instituted into pilotage
9 in general; according to newspaper reports that
10 day, Mr. Balcer had since announced this
11 intantion in the House.

12 The Chairman continued by stating
13 that it now seemed the work stoppage by the
14 pilots would continue for some time, and that
15 the question to be resolved was how to keep
16 the ships moving without pilots.

17 The Assistant General Manager stated
18 that it was doubtful if any ship movements
19 between Montreal and Quebec could take place
20 before the summer buoys had been laid by the
21 Department of Transport and, according to his
22 latest information, this was not expected to
23 be completed before the end of that week.
24 He also felt the Department of Transport would
25 assist in the movement of vessels without
26 pilots, but he doubted if the Department would
27 take any action in this regard until the pilots'
28 reaction, if any, is known to individual
29 telegrams sent to each pilot the previous day
30 by the Deputy Minister."



1 English

2 Q. You refer to individual telegrams sent to
3 each pilot by the Minister? Where did you obtain
4 this information?

5 A. We obtained this information either
6 from the Minister or from the Deputy Minister at our
7 meeting.

8 Q. Were you given a copy of the text of
9 this telegram addressed to each individual pilot?

10 A. I don't believe so.

11 Q. Were you told what the telegram said,
12 in a broad and general way?

13 A. We may have been, but I don't really
14 recall; I would be speculating.

15 Q. Will you proceed?

16 A. "... He continued by stating that
17 the Dominion Marine Association. . ."

18 MR. LALONDE: My lord, this document
19 which the witness refers to has already been tabled.
20 It is a part of the Minutes which have been tabled
21 under Exhibit 934.

22 THE CHAIRMAN: Thank you.

23 MR. BRISSET:

24 Q. All right, then; you may, perhaps,
25 stop here if it is already in the record.

26 I believe I might say that it was at
27 that meeting the decision was taken to form a Technical
28 Committee for the purpose of making arrangements to
29 get the ships moving without pilots; is that correct?

30 A. That is correct.



1 English

2 Q. Now, going ~~back~~ to your meeting with
3 the Minister himself, you have stated in this report
4 to the Committee, that you made as chairman, that the
5 Minister appeared to be supporting the Shipping
6 Federation's stand. Can you explain to us how the
7 Minister communicated this to you?

8 A. Well, I think this was indicated in
9 the correspondence. The two letters that we have
10 already referred to here -- the one from Mr. Cumyn,
11 of March 14th, and then the... I should be more
12 explicit. The letter from Mr. Cumyn to Mr. Lalonde
13 of March 14th, and, further, the letter which the
14 Minister addressed to Mr. Lalonde on April 5th; and,
15 in addition, the conversations that we had held with
16 the Minister and the Deputy Minister in Ottawa.

17 Q. In other words, the Minister was not
18 going to grant the increases asked for at that time?

19 A. That is correct; although, as that was
20 reflected here, there was a certain attraction to the
21 Department in the pilots' proposal of granting an
22 increase, and, in return for that, a certain period of
23 wage or tariff freeze.

24 Q. Peace in the industry?

25 A. Yes.

26 Q. Following the meeting that you had with the Minister
27 and the steps taken to set up a Technical Committee will
28 you tell us what was the next important event in the
29 chain of events at that time?

30 A. Well, I would think that the next



1 English

2 event that caused some discussion was when we learned
3 for the first time that the Pilots had been sending
4 telegrams to the officials at Escoumins.

5 Q. How did you learn of that occurring?

6 A. Well, it was reported by several of
7 our members, and, in fact, I had experience myself
8 with one of the ships that I was handling; and in
9 due course I was given a copy of the actual message.
10 I think that is the one we have in our Appendix.

11 Q. I see.

12 A. But several of the members had reported
13 this to the Federation.

14 Q. Was that matter taken up with the
15 Department at the time?

16 A. Yes, it was. Let me see, now . . .

17 Q. Let us go back on the events that
18 you have described. You had a meeting with the
19 Minister on Monday, April 9, 1962?

20 A. Yes.

21 Q. Perhaps you can tell us when you had
22 a further meeting with either the Minister or the
23 Deputy Minister?

24 A. Well, the next meeting was with the
25 Deputy Minister.

26 Q. On what date?

27 A. On April 12th, 1962.

28 Q. Will you tell us how this meeting came
29 about?

30 A. This meeting was at the request of



English

Mr. Baldwin who was anxious to meet with us and offered to come to Montreal for a meeting before the members -- the members at large - of the Shipping Federation.

Q. And was this meeting arranged with plenty of notice, or was it a rush meeting?

A. It was only arranged the day before. The request from Mr. Baldwin came one day sooner and the meeting was arranged the following morning, or actually took place at the noon time.

Q. And Mr. Baldwin came to your office, I take it?

A. That is correct.

Q. The office of the Shipping Federation of Canada?

A. Yes, the office of the Shipping Federation.

Q. I understand that he travelled by the Transport plane. Are you aware of that?

A. I think he did, come down...

Q. On the Transport plane?

A. Yes.

MR. LALONDE: So what!

MR. BRISSET: Q. Will you tell us what transpired at the meeting on April 12 with Mr. Baldwin?

A. Well, again let me preface it that I was at that meeting. In fact, I acted as Chairman:

"Mr. Colley welcomed Mr. Baldwin to the meeting and asked him to comment on developments to date with regard to the St. Lawrence River pilotage



1 English

2 situation.

3 Mr. Baldwin stated that the pilots,
4 represented by Mr. Lalonde, Mr. Bedard and
5 one other representative, met with Mr. Balcer
6 the previous day and had put forward an
7 alternative proposal which had been considerably
8 modified from their original demands.

9 Mr. Baldwin stated that the pilots were
10 showing signs of becoming quite restive and had
11 not expected the reaction from the Federation
12 and the Minister of Transport that was forthcoming
13 when the stoppage of work started and, in his
14 opinion, this was the reason for the moderation in
15 their demands. There was one unfortunate aspect
16 of this situation, however, he continued, in
17 that Mr. Balcer had recently been subjected to
18 considerable pressure from the Cabinet to
19 settle the strike in view of forthcoming
20 elections and that Mr. Balcer had been forced to
21 modify his stand and to obtain a settlement
22 on the best possible terms at the earliest possible
23 date. Mr. Balcer, without this pressure,
24 would undoubtedly have remained firm against the
25 pilots for some time yet. He, however, was
26 now obliged to endeavour to obtain a settlement
27 by the following day, April 13th, when he had
28 arranged to meet with the pilots and, if possible,
29 he would like to arrange to see a delegation from
30 the Federation in Ottawa that day as well.



1 English

2 The modified demands by the pilots as
3 put to Mr. Balcer the previous day were as
4 follows: -

- 5 1. 10% to 11% increase in the pilotage tariffs
6 of the Montreal/Cornwall district, Montreal
7 Harbour and Montreal River districts;
- 8 2. 3-year freeze of pilotage rates.

9 Mr. Baldwin stated that there were a
10 number of other items which had been brought up
11 by the pilots which, he felt, however, were
12 no immediate threat to a settlement, as follows:-

- 13 1. The Department had agreed to set aside its
14 proposal that pilots contribute towards
15 pilot boat costs;
- 16 2. Open waters pilotage at Kingston, not to be
17 performed by Kingston district pilots; the
18 Department to consider this request.
- 19 3. Apprenticeship system in the Kingston district;
20 the Department to consider this request.
- 21 4. The statistical method employed in arriving
22 at pilots' earnings. The Department had agreed
23 to put this in the hands of the Department of
24 Labour who were experts in this field and had
25 obtained the agreement by the pilots to abide
26 by their decision.
- 27 5. Increase in the number of pilots in the Montreal
28 River district. The Department had acceded
29 to this request.

30 Mr. Baldwin stated that Mr. Balcer had asked



1 English

2 him his opinion of the pilots' new request of
3 10% to 11% increase in tariff, in reply to
4 which he had stated that this figure was still
5 too high and something in the order of 6% would be
6 more realistic.

7 Mr. Colley then asked Mr. Baldwin what
8 was the status of the public inquiry which,
9 as indicated by Mr. Balcer, would be instituted
10 into pilotage in general.

11 Mr. Baldwin stated that Mr. Balcer had
12 made his intention in this respect public,
13 although nothing, as yet, had been put before
14 the Cabinet. He felt that if the Federation
15 wished written confirmation that a public inquiry
16 would be held from Mr. Balcer, this would be
17 forthcoming on request. He stated also that
18 the three-year freeze offered by the pilots
19 could not be upheld by law and that it could only
20 be gentlemen's agreement, which agreement,
21 however, if concluded, would be made public in
22 the House of Commons and the Press.

23 In answer to a question, Mr. Baldwin
24 advised that should the Federation see fit
25 to reject this latest proposal by the pilots
26 and not support the Minister in obtaining a
27 settlement along the above-mentioned lines,
28 he would undoubtedly have to settle the
29 dispute on the best basis possible.

30 Mr. Colley then advised Mr. Baldwin of



1 English

2 the telegrams which were being sent by the pilots to
3 to vessels off Escoumins to the effect that ships
4 should anchor at that point due to their being
5 no pilots available. Mr. Baldwin stated that
6 he strongly disapproved of this action on the
7 part of the pilots and would speak with Mr.
8 Booth on his return to Ottawa in an effort to
9 stop the despatch of such telegrams through
10 the Department's radio station at Quebec.

11 Mr. Baldwin and Mr. Fisher retired from
12 the meeting at this point..."

13 The meeting continued as a Shipping Federation meeting:

14 "Considerable discussion followed on what
15 the Pilotage Committee should recommend to
16 the general meeting that afternoon concerning
17 this latest development explained by Mr. Baldwin.

18 It was agreed that the Committee recommend
19 as follows:-

20 That Mr. Balcer be advised the Federation
21 is unaltered in its view that the pilots
22 should receive no concessions whatever but
23 that it was recognized Mr. Balcer could
24 make whatever agreement he wished with the
25 pilots and in view of this the Federation
26 would agree to abide by Mr. Balcer's
27 decision in this regard, although no con-
28 cessions to be made to the pilots until
29 after the Federation had been advised of
30 the Minister's intention.



1 English

2 The suggestion was then made by Mr.
3 Dillon that Mr. Mearns contact Mr. Balcer
4 immediately and request that he meet with
5 the Federation's delegation in Ottawa the
6 following day prior to meeting the pilots,
7 in order that the Federation's stand as
8 above stated, if agreed by the general meeting
9 that afternoon, could be explained fully to
10 the Minister before his meeting with the pilots..."

11 MR. BRISSET: I will file the minutes
12 of this meeting as Exhibit 942.

13 --- EXHIBIT No. 942: Minutes of meeting held
14 in the office of the
15 Shipping Federation between
16 the Pilotage Committee and
Deputy Minister, Mr. Baldwin.

17 MR. LALONDE: What was the date of that
18 meeting?

19 MR. BRISSET: April 12th, 1962.

20 Q. Now, Mr. Colley, in connection with
21 the meeting you had on April 12th 1962 there are two
22 points I would like to develop with you. First of all,
23 this statement made by Mr. Baldwin, namely, that
24 "...the Department had agreed to set aside its proposal
25 that pilots contribute towards pilot boat costs..."

26 A. Where are you reading from?

27 Q. From the minutes of the meeting, which
28 have been filed as Exhibit 942?

29 A. Oh, yes.

30 Q. Now, in connection with that statement will



1 English

2 you tell us whether the Shipping Federation had ever
3 been officially informed that the Department had had
4 such a scheme in mind, prior to those meetings?

5 A. Never; we had never heard of such a
6 scheme in any way, shape, or form.

7 Q. I would like, Mr. Colley, to show
8 you two letters which were filed here by Captain
9 Rousseau of the Quebec Pilots group, dated respectively
10 the 15th of September 1961 and the 20th of February
11 1962, filed as Exhibit 697, and I would like you to
12 tell me whether you had ever been supplied with copies
13 of these letters, or even advised of their contents?
14 They are written in French, and one deals with the
15 proposal of the Treasury Department that possibly
16 pilots in the Quebec district, in view of their high
17 earnings, should contribute to the cost of the pilot
18 boats; and the other mentions a percentage of
19 contribution of 4 1/2% out of earnings?

20 A. No.

21 Q. Now, in your discussions, at the time
22 of the strike, with the Minister, the Deputy Minister
23 and the pilots, until this meeting with Mr. Baldwin on
24 April 12th had this scheme ever been brought to your
25 attention?

26 A. It never had. Even in Mr. Balcer's
27 letter at the time of the strike -- April 5th --
28 I don't believe that there is any mention in this
29 letter at all about this point. The first we heard
30 about it was in an exchange of some telegrams.



1 English

2 Q. And I take it you refer to the telegram
3 which is filed as Appendix 71 in volume 2 of the
4 Shipping Federation's brief, namely, a telegram from
5 Mr. Marc Lalonde, counsel for the Federation of St.
6 Lawrence Pilots, to Captain Matheson, quoting a telegram
7 sent to the Minister?

8 A. That is correct.

9 Q. In which it is stated:

10 "Moreover, your letter makes no
11 reference to threat of utilizing part of earnings
12 of Quebec pilots for hire of pilot boat, salary
13 of government employees etc..."

14 Was this the first time this scheme came to your knowledge?

15 A. That is correct.

16 Q. In fact, when this telegram was
17 received did the Federation realize what this was?

18 A. I would say No, that it had no
19 significance for us.

20 Q. The strike had already started at that
21 time; isn't that correct?

22 A Yes, that is correct.

23 Q Now we have had evidence before this
24 Commission, on the part of the pilots' representatives,
25 that one of their main reasons for going on strike
26 in April of 1962 was that they were violently opposed,
27 in principle, to this proposal of the Minister, or the
28 scheme of his Department. Did this ever come up as a
29 subject of discussion between you and the pilots
30 or the authorities at any time?until April 1962?



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(Brisset)

13091

English

A. Never.

Q. Was it even discussed?

A. It was never discussed.

Q. Or in your subsequent meetings with
the Deputy Minister and the Minister himself, until
the end of the strike?



1 English

2 A. If it was discussed or if it was
3 mentioned, it was certainly one of the minor points
4 in passing. The principal topics of conversation in
5 all of these meetings had been around the question of
6 the implementation of the target income concept and
7 whether or not some general increase should be given
8 the pilots at that time.

9 Q. In other words, the pilots were mainly
10 interested in getting an increase in their revenue?

11 A. Oh, yes.

12 Q. That was the truth.

13 MR. LALONDE: Objection. This is ridiculous.
14 My friend has stated that but that is not at all what
15 the witness said. The witness said in their meetings
16 between the Shipping Federation and the Department of
17 Transport the discussions turned about the target income
18 and a way of arriving at a fixed or a set income and
19 the witness has not referred to a discussion of a
20 meeting with the pilots on this. He referred to a
21 meeting between the Shipowners and the Department of
22 Transport officials.

23 It is quite obvious this was the main part
24 of their discussions since that was the only thing that
25 was in their minds at the time.

26 Q. Well, Mr. Colley, tell us again of your
27 discussions of the Montreal Harbour pilots, what did
28 they want when you saw them in March of 1962?

29 A. They wanted two things. They wanted
30 to have all docking done by their pilots in Montreal



1 English

2 Harbour to the extent that there should be a pilotage
3 change at Long Point and they also wanted a change in
4 the tariff.

5 Q. For what purpose?

6 A. For the purpose of obtaining increased
7 revenues.

8 Q. Now, as far as the pilots from the
9 other groups are concerned, what did they want, insofar
10 as you were concerned that you considered to be
11 important?

12 A. Well, the only point that we were
13 concerned about were those that involved further change
14 in the tariff or a change in the structure that would
15 reflect in the final analysis an increase in revenue
16 or an increase in costs to the ships.

17 Q. Now, assuming that you had been made
18 aware of this proposal of the Department of Transport,
19 as expressed in the letters I have referred to earlier,
20 namely the letter of September 15th 1961 and the 20th
21 of February 1962, Exhibit 697, what would have been
22 the reaction or policy of the Shipping Federation now
23 that you know of those proposals?

24 MR. LALONDE: That is a hypothetical
25 question.

26 A. I can only give you my view on that.
27 I believe that we would have ~~been~~ tremendously opposed
28 it.

29 Q. For what reason?

30 A. Well, if there was to be any adjustment



1 English

2 in the tariff and if a portion of the tariff revenue
3 was not to go to the pilots, well, we would certainly
4 not agree that it should go to the Government.

5 Q. In other words you were seeking to
6 obtaining a reduction in costs of pilotage. Is that
7 not right?

8 A. That is correct.

9 Q. Was the proposal of the government
10 likely to give you such a reduction?

11 A. It would make no difference to us.
12 We would pay the same.

13 Q. And if, as explained under the plan
14 developed in this letter, there were to be unexpected
15 revenues out of the tariff beyond these forecasts,
16 in what way would those surpluses, being affected to
17 some government expenses, procured any benefit to the
18 ships?

19 A. It would not on that basis give any
20 benefit to the ships.

21 Q. Is that why you expressed the opinion
22 that you have just expressed, that you would have
23 opposed it?

24 A. Exactly, yes.

25 Q. The other point I want to pick up in the
26 report of your meeting with Mr. Baldwin on April 12th
27 is that you brought to his attention the fact that
28 telegrams were being despatched by the Fédération of
29 St. Lawrence River Pilots to ships at Escoumins from
30 a government radio station.



1 English

2 I want you to tell us whether any action
3 was taken by the Department to stop this practice,
4 to your knowledge?

5 A. Well, I would say we don't know what
6 action the Department took. All I can say is what
7 I have already said of how we advised Mr. Baldwin
8 of this occurrence, the fact that he was exorcized
9 about it -- Whatever action was taken, it was most
10 effective because it stopped almost immediately.

11 Q. In fact, was this brought to the
12 attention of the Minister subsequently in a subsequent
13 meeting on the 13th?

14 A. It is possible. I can't say
15 definitely at this time. Possibly; but I cannot really
16 confirm it.

17 Q. After this meeting of April 12th with
18 Mr. Baldwin in Montreal, was there a subsequent meeting
19 with the Minister?

20 A. Yes, there was.

21 Q. When?

22 MR. BRISSET: Perhaps, Your Lordship,
23 you could find it convenient to adjourn at this time.

24 THE CHAIRMAN: We will adjourn now for
25 ten minutes.

26 --- Recess

27
28 --- Upon resuming.

29 MR. BRISSET: My Lord, before we continue
30 with the evidence of Mr. Colley there are certain



1 English

2 documents I would like to file. One is a copy of the
3 a monthly statement for December 1963 issued by
4 Westinform which we were asked to file by counsel for
5 the pilots. It will be attached to Exhibit 936.

6 We will undertake to file the annual review
7 of 1963 when published, I believe, some time in March
8 of this year.

9 I would like also to file as Exhibit 943
10 two copies as samples of the monthly circulars issued by
11 the Baltic and International Maritime Conference,
12 namely a circular of May 1963 which, I understand, is
13 the annual one, reporting on the general meeting of
14 the Conference and one for the month of October 1963.

15 I file these circulars as they will indicate
16 what is the scope of the activities of the Baltic and
17 International Maritime Conference and particularly
18 indicate that this Conference is an organization
19 somewhat similar to the Shipping Federation of Canada
20 and the Chamber of Shipping of the United Kingdom and
21 that therefore it is an organization even though it
22 uses the word "Conference" in its title. It is not
23 at all a conference as we know them in the sense of
24 being at all interested in freights or in fixing freights.

25 --- EXHIBIT No. 943: Two copies of monthly
26 circulars dated May 63
27 and October 63 published
28 by Baltic and International
29 Maritime Conference.

30 Finally I would like to file as Exhibit 944 a
copy of the Annual Report of the Chamber of Shipping



1 English

2 of the United Kingdom which also shows what is the
3 scope of its activities and the Commission will readily
4 see that the activities of this organization are very
5 much similar to that of the Shipping Federation of
6 Canada and its annual report covers pretty well the
7 same topics as are covered by the Shipping Federation
8 of Canada in its own annual report and is presented
9 in about the same form, but of course insofar as
10 British shipping interests are concerned.

11 THE CHAIRMAN: Thank you very much.

12 --- EXHIBIT No. 944: Annual Report of the
13 Chamber of Shipping of the
14 United Kingdom.

15 MR. BRISSET: I remind the Commission that
16 the Shipping Federation is affiliated to these two
17 organizations.

18 Q. Now, Mr. Colley, I would like to refer
19 you to Appendix 72 in the second volume of the brief
20 of the Shipping Federation, being a telegram from the
21 Minister, Leon Balcer to Marc Lalonde, from which I
22 quote the following:

23 "Consideration of costs of pilots boats,
24 etc., presently paid for by Federal Government
25 was taken up with Quebec district and is under
26 separate study and further discussion is
27 intended rather than arbitrary action on your
28 part."

29 MR. LALONDE: I object here to one thing.
30 I think the telegram probably should read "on our part."



1 English

2 I think this telegram has been tabled before when Mr.
3 Bedard was in the box but, by reading it, it would seem
4 "our part" would make more sense.

5 THE CHAIRMAN: This may be verified.

6 MR. LALONDE: Yes, we will verify it.

7 MR. BRISSET: Q. Mr. Colley, have you
8 any comment to make on this statement of the minutes
9 in relation to what we have been led to understand
10 by the pilots was perhaps the major issue in this strike?

11 A. Yes. We find it difficult to take
12 the same interpretation as the pilots corporation
13 appeared to do if it was a point and I must say my
14 own reaction is I can understand the pilots would be
15 concerned about such a proposal. That I can under-
16 stand but then when a work stoppage is in effect and
17 the government sent a message such as this, to me, it
18 would indicate or imply that "All right, you don't
19 have to worry about that point." It seems to be
20 rather a face saving device to say "Well, this is not
21 a point of contention" but in spite of that the strike
22 continued. In other words these words werenot
23 sufficient, if this was really the issue on which these
24 strike hinged.

25 There was even a further telegram, I believe,
26 a couple of days later on the same topic and expressed
27 a similar idea but in different words and still this
28 was not a decision.

29 MR. LALONDE: Do you have that other
30 telegram?



1 English

2 THE WITNESS: Yes, I believe so. Yes.
3 On April 9th the Federation received a telegram from
4 Mr. Baldwin, Deputy Minister, which starts off:

5 "The Minister sent the following wire
6 to President of Federation of St. Lawrence
7 Pilots today." Then this message I quote:

8 "You asked for a position with regard
9 to a suggestion that a part of the revenues
10 from pilotage should be used to pay in part for
11 the substantial expenses borne by the government
12 in operating pilot boats and administering
13 pilotage districts. My letters to Quebec
14 pilots on this subject dated September 15th,
15 1961 and February 20, 1962 put forth proposals
16 for consideration and comments. The reply
17 received from Pilots Federation dated March
18 7 and as previously indicated matter remains open
19 for further consideration and study and we do not
20 propose any arbitrary decision at the present
21 moment."

22 MR. LALONDE: Which implied he could
23 consider arbitrary decisions at a later moment.

24 THE WITNESS: Pardon?

25 MR. LALONDE: If you read it, it could
26 imply they could consider arbitrary decisions at a
27 later moment?

28 THE WITNESS: Arbitrary decisions can
29 always be considered at a later moment, but what is
30 important is the immediate effect on a work stoppage,



1 English

2 I think, because surely the principal thing expressed
3 here by the Pilots Corporation is "You must never
4 introduce a new topic or a new way of doing things,
5 even for discussion, because if you do, we are entitled
6 to strike. We don't want to even consider it."

7 Nobody has taken action. Nobody has
8 said "This must be done." The government has said
9 "It is to be considered," and because the government is
10 saying it be considered the pilots say "We are entitled
11 to strike."

12 MR. LALONDE: If you want to argue on this,
13 we will argue.

14 THE CHAIRMAN: No, that is all right.
15 This is not the time for argument, otherwise we will
16 not finish.

17 MR. BRISSET: Q. Mr. Colley, we were
18 asking you when adjournment came whether you had a
19 meeting with the Minister himself subsequent to your
20 meeting on April 12th 1962 with the Deputy Minister,
21 Mr. Baldwin. Did you have such a meeting?

22 A. Yes, we had a final meeting with the
23 Minister on the following day, April 13th.

24 Q. Can you give us the gist of what
25 transpired at that final meeting, confirming first that
26 you did attend this meeting yourself personally?

27 A. Yes, I did attend it personally along
28 with members of the Pilotage Committee.

29 Q. What transpired at this final meeting.

30 A. I don't have notes, I must say, on this



1 English

2 so I am just relying on my recollection, and it was
3 really a culmination of events in any case. The
4 Minister advised us of what he was proposing to do,
5 namely, that there would be a certain increase and
6 that at the same time he was going to request that a
7 Commission of Inquiry be established into Pilotage
8 and it was quite apparent to us that there was no
9 alternative in this.

10 In other words, the Minister felt that a
11 solution must be found at that time, that there was no
12 more time to be spent on the matter.

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1 English

2 I do recall all that in explaining to the
3 Minister that from our point of view our members were
4 not at all in a panic about the situation, that actually
5 things were very much under control and that through
6 the action that has been taken and through the
7 establishment of our own technical committees on how
8 to get ships moving we had found -- much to some of
9 our members' surprise, I might say -- that we were
10 going to be able to move the ships, maybe not as quickly,
11 but we were going to be able to move them, and we
12 wanted the Minister to know this.

13 In other words, were not going to embarrass
14 him by saying: "Everything is coming to a standstill
15 and the Government must do something." We wanted
16 him to know this.

17 In spite of this he advised that a decision
18 had to be made, that a solution must be found.
19 Consequently we could only repeat that we were not
20 asking for it but we would abide by his decision.

21 Q. Had the promise of the Minister to have
22 a sweeping investigation into pilotage by way of
23 Royal Commission anything to do with your decision to
24 abide by the Minister's final stand or decision?

25 A. Yes, I would say this was the key
26 point, because even though at the time we were dis-
27 appointed that it had been necessary for the Minister
28 and the Department to radically change their ideas
29 on what should be done -- I mean, from the initial
30 reaction of no increases to one whereby rather



1 English

2 substantial increases were given; in spite of our
3 disappointment that it involved these increases, we
4 did feel that as we had been fighting so long or
5 requesting for such a long time that pilotage be
6 thoroughly investigated on a higher level, perhaps it
7 was well worth the price.

8 I must say that when we returned to Montreal
9 and reported to the Federation this was the general
10 feeling -- that it was a price to be paid and it
11 was worth it to get a commission established.

12 MR. JACQUES: With reference to an
13 objection made by my friend Mr. Lalonde on Appendix 72
14 of your brief, which is a translation of a telegram
15 sent to Marc Lalonde by The Honourable Leon Balcer,
16 there seems to be an error in translation which I
17 have noted in the English translation.

18 THE CHAIRMAN: Leaving out the word
19 "your"?

20 MR. JACQUES: The sentence in the middle
21 of the telegram reading "rather than arbitrary action
22 on your part" does not appear in the French translation
23 as such.

24 THE CHAIRMAN: The French version, you
25 mean.

26 MR. JACQUES: I mean the French version.
27 It reads as follows: "plutot que prendre mesures
28 dilatoires", which would mean that ---

29 THE CHAIRMAN: Rather than taking
30 dilatory measures.



1 English

2 MR. JACQUES: Yes, My Lord.

3 MR. BRISSET: Two languages, two different
4 ways of saying one thing.

5 MR. JACQUES: The French text is in
6 Exhibit 761.

7 THE CHAIRMAN: Thank you.

8 MR. BRISSET: Q. Mr. Colley, during
9 the course of your evidence when you related the
10 events preceding and during the strike, I formed the
11 impression that the Minister at one stage was going
12 along with your position taking a firm stand and that
13 later on he changed that position. Can you explain
14 from your own observations what could be the reason for
15 this change in attitude?

16 A. Well, yes, simply political pressure.

17 THE CHAIRMAN: Political pressure or
18 political reasons because there was the nearness of
19 the election?

20 THE WITNESS: Yes -- political con-
21 siderations.

22 THE CHAIRMAN: Considerations, yes.

23 MR. BRISSET: Q. Mr. Colley, I would
24 like you to refer to Appendix 76 at page 226 of the
25 second volume of your brief, being a letter dated
26 April 13th by the Minister, Mr. Leon Balcer, to Mr.
27 Lalonde. I would like you to identify this letter
28 as being a copy which you received from the Department?

29 A. Yes, that is so.

30 Q. You do not know, I suppose, whether



1 English

2 the original was in the French text or the English text?

3 A. I do not know

4 Q. But you received the English text?

5 A. Yes.

6 Q. Can you tell us when and how this letter
7 was transmitted to you from your file? If you have
8 a letter of transmittal will you give us the file number
9 of the Department?

10 MR. LALONDE: Appendix 77 says:

11 "We have your letter of May 3rd en-
12 closing English translation of your letter
13 dated April 13th addressed to Mr. Marc Lalonde."

14 The answer is May 23rd.

15 MR. BRISSET: May 3rd.

16 MR. LALONDE: The letter of the Minister
17 was May 3rd, it seems.

18 MR. BRISSET: Q. Yes, but what I was
19 driving at is, who wrote the letter of May 3rd to you?
20 Do you have the original?

21 A. No, I am sorry, it is not in this file.
22 I cannot tell you.

23 Q. Will you furnish this information when
24 it is available?

25 A. Yes.

26 There we are. (Letter produced) Under
27 date of May 3rd, 1962 there is a letter from Mr. Balcer
28 to Mr. Mearns of the Shipping Federation:

29 "In accordance with a request contained
30 in your telegram of April 27th I am pleased to



English

enclose a copy of an English translation of my letter to the pilots' council dated April 13th, 1962 setting out the conclusions reached on the various items which were in dispute with the St. Lawrence River pilots recently.

The amendments to the bylaws of the Montreal and Cornwall pilotage districts to provide the increase in the tariffs referred to in the letter were referred to in Orders-in-Council P.C. 1962 - 645 and P.C. 1962 - 644 respectively, dated April 26, 1962. Copies of these amendments will be forwarded to you as soon as they are available."

Q. And this is signed by the Minister?

A. That is correct.

Q. What is the file number of the Minister's Department?

A. No file number.

Q. When you received this letter from the Minister giving you the outline of the concessions made to the pilots, did your Federation make an analysis of the results of the revisions in tariff from a point of view of increasing the cost of pilotage in the districts concerned?

A. Yes, we did, and that is reflected in a letter which we wrote to the Honourable Leon Balcer on May 23rd, which is Appendix 77.

Q. This is the letter which you wrote to the Minister at the time giving him your analysis of



1 English

2 the percentage of increases?

3 A. Yes.

4 Q. Mr. Colley, I notice that the increases
5 in the cost of pilotage per representative vessels
6 vary from 9.3% to as high as 28.1%.

7 In this regard will you tell us whether you
8 had expected such large increases at the time in the
9 light of the conversations and discussions you had had
10 with both the Minister and his officials?

11 A. No, we did not, particularly in the
12 light of the meeting with Mr. Baldwin in Montreal.
13 We had been given to understand that it was his feeling
14 that an increase of 10 or 11% was too great and rather
15 he was aiming for a general increase in the vicinity of
16 6%. We thought that this was the basis on which the
17 final settlement was being arranged and therefore we
18 were somewhat surprised to see that it actually was
19 greater than that.

20 Q. Mr. Colley, you have already explained
21 to us the origin of the figures that appear in
22 Appendix 51, which is a compilation of the earnings of
23 the districts in the St. Lawrence from 1958 on.

24 I would like to pass on to the table which
25 is reproduced on page 78 of your brief, which covers a
26 period of ten years from 1953 to 1962. I would like
27 you to tell us again the origin of the figures that
28 appear in these statements, differentiating perhaps
29 between the period prior to 1960 and the posterior
30 period to 1960.



1 English

2 A. Prior to 1960 the figures were
3 compiled by the Shipping Federation from the documents,
4 the returns that they had in their office on individual
5 pilots' earnings. From the period 1960 on, of course,
6 these are solely Government statistics.

7 I might say also there is a certain over-
8 lapping here because at the time that the Government
9 did start providing these statistics they did make them
10 retroactive to a certain extent, so in the years for
11 example 1958 and 1959, these figures could be one or the
12 other -- they could be the Department's or they could
13 be ours, or perhaps even a combination.

14 Q. You have explained in your previous
15 testimony that in the years prior to 1959 you were
16 getting also information from the pilots' association.
17 Is it correct to assume that the figures appearing here
18 are also having their origin in some of the information
19 supplied by the associations?

20 A. Yes, that is correct.

21 MR. LALONDE: While we are on this, would
22 the witness provide these documents he refers to as
23 coming from the associations?

24 MR. BRISSET: My Lord, we are working on
25 the assembly of these documents.

26 Q. I want to go back to Appendix 51 to
27 your brief in the second volume on page 161.

28 By the way, Your Lordship, my mathematics
29 were corrected by my friend Mr. Lalonde. When I stated
30 that the total of the pilotage fees paid during the



English

period 1958 to 1962 in the four districts concerned was of the order of eighteen million dollars, I have had the addition made on the machine and the figure should be \$16,632,702. I apologize for the error made at the time.

MR. LALONDE: It is only a couple of millions.

MR. BRISSET: Q. Mr. Colley, coming back to this appendix, I have noticed that in the Quebec district, in the Montreal River district and in the Montreal Cornwall district no figures are given for the year 1962 in respect of the daily workload of the pilots. Can you explain why this does not appear in your submission?

A. We have been unable to obtain that information from the Department up to this time. We can only assume that it is late with the difference of opinion that exists on how this should be calculated.

As we saw earlier, this is one of the points that the Department of Transport was to put up to the Department of Labour for some type of decision. As far as we are aware no such decision has been given and in the meantime we have no figures for 1962 -- which I might say is rather remarkable, because it would even help if the figures were done on the same basis as the previous year. Then at least they are all calculated in the same way and they would bear a certain significant comparison between each.

MR. LALONDE: What evidence do you have



1 English
2 in that respect -- that they have been calculated in
3 the same way in the previous year?

4 THE WITNESS: I have no evidence. Simply
5 it is an assumption. I will agree that the Department
6 has been doing it in the same way over the period of
7 1959 to 1961, because I have never heard an argument
8 or a dispute contrary to this.

9 MR. LALONDE: You were not there at
10 the meetings in 1961 for one instance?

11 THE WITNESS: I was not at the meetings
12 in 1961, that is correct. As I say, I do not know;
13 I am not aware.

14 MR. BRISSET: Q. In other words your
15 point, Mr. Colley, is that whatever bases might have been
16 used to compile those statistics it would have been
17 useful assuming that the same bases were used for 1962
18 to have the figure for 1962?

19 A. Exactly.

20 Q. Whether the figure is right or the
21 basis used is right or wrong, at all events you have
22 the same basis?

23 A. Yes, it would be consistent.

24 Q. And it gives you a medium of comparison.
25 Did you get any figure for 1963 as to the
26 workload of pilots?

27 A. No, no figures for 1963.

28 Q. Did you get any figures as to earnings
29 for 1963?

30 A. No, we have had no figures on earnings
for 1963.



1 English

2 Q. Now, do you consider that statistics
3 of some kind are useful for the shipping industry on
4 the cost of pilotage and the earnings of pilots?

5 A. Yes, of course it is; it is of impor-
6 tance.

7 Q. Were you given any explanation by the
8 Department, in fact, for the lack of figures being
9 supplied to you on the workload of pilots in 1962?

10 A. Oh, I am not aware of that. It is
11 possible that has been the topic of discussion, I
12 perhaps, between Federation officials and the Depart-
13 ment, but I am not aware of it myself.

14 Q. Now, Mr. Colley, I would like you
15 to refer to page 80 of your brief in which you comment
16 on the earnings of the Montreal/Kingston District
17 pilots over a period extending from 1961, or after
18 the District was split in two at Cornwall, when you
19 state this:

20 "The pilots' workload was reduced
21 by reason of the splitting of the District
22 by fifty per cent in the years 1960, 1961
23 and 1962, but nevertheless their earnings
24 increased during the five-year period
25 from 1958 to 1962, by 35.804 per cent.
26 That is, from \$10,958.88 in 1958 to
27 \$14,882.69 in 1962; and this for the
28 shortest season of all Districts, namely,
29 a season averaging 235 days."

30 My intention in drawing this statement to your



1 English

2 attention is in relation with the increases granted
3 at the time of the strike in 1962; and in this regard
4 I refer to page 77 of your brief, where you have
5 estimated that the increases granted are in the
6 order of 10.3 per cent; in other words, it would
7 produce a revenue -- additional revenue -- of 10.3
8 per cent.

9 Do you consider that your estimate
10 at the time was supported by the figures that eventual-
11 ly came out?

12 A. Yes, I would say that is the case.
13 Just by a mental calculation it would appear that the
14 increase in earnings was somewhat higher than ten per
15 cent.

16 Q. Would you quote the figures, please?

17 A. Average earnings in 1961, \$13,385.58;
18 in 1962, \$14,882.69.

19 Q. Now, from your experience, Mr. Colley,
20 in these matters, assuming that the number of pilots
21 is not increased in any one district, have you observed
22 whether or not an increase, or, at least, an upward
23 revision of tariffs would automatically result in an
24 automatic increase in the earnings of the pilots?

25 A. If I understand your question correctly,
26 taking into account the normal pattern or the pre
27 dicted pattern, of traffic and traffic changes, yes,
28 an upward revision of tariffs would produce increased
29 earnings for the individual pilot.

30 Q. And to go a step further, taking into



1 English

2 account the change in the pattern of ship's construe-
3 tion, and so forth, what has been your experience
4 in respect of the individual pilot's earnings even
5 when there is no upward revision of the tariffs?

6 A. Well, there is a natural increase in
7 so far as we are working on a tariff based on draught
8 and tonnage; there is an automatic increase in so far as
9 from one year to the next there is always an increase
10 in ships of a given size; in other words, ships are
11 getting bigger. Therefore -- and I am just taking
12 figures out of the air -- if ten per cent of your ships
13 this year are of 15,000 tons or more and then next
14 year they are twenty per cent, naturally automaticcally
15 for the same number of ships there is a greater revenue
16 produced by the same tariff.

17 Q. In other words, in the light of changes
18 in ships' construction there is, without even touching
19 it, built in the tariff an automatic increase?

20 A. Very definitely.

21 Q. Is that a correct statement?

22 A. Yes, very definitely.

23 THE CHAIRMAN: This may not be alto-
24 gether true in that the evidence we had was they were
25 also bigger but fewer. This doesn't mean in the next
26 year you are going to have a similar number of ships
27 with a bigger tonnage.

28 THE WITNESS: All I was trying to point
29 out is that the trend over the years is to have larger
30 ships trading. I think if we compare the average size



1 English
2 of vessels trading into the St. Lawrence ten years ago
3 or five years ago, we would find that amongst any
4 representative group there is a larger proportion of
5 high-tonnage ships.

6 THE CHAIRMAN: Yes.

7 MR. BRISSET:

8 Q. In other words, in your opinion the
9 possible decrease in the number of ships is more than
10 compensated for by the increase in dimensions and
11 tonnage of any ships coming in?

12 A. No, not necessarily. I wouldn't like
13 to link those two together. I don't think they are
14 necessarily linked together; because the volume of
15 traffic, of course, is something that would take a
16 sharp turn one way or the other for given reasons,
17 whereas the other is a slow evolution that has taken
18 place in international shipping in general.

19 Q. In other words, the increase in the
20 sizes of the ships now engaged in the water trade is
21 towards larger ships and that is a steady evolution?

22 A. Yes.

23 Q. However, in any given year you might
24 have a drastic change in the actual traffic coming
25 into our ports?

26 A. Yes, in the flow.

27 Q. Now, this matter of possibility of
28 drastic change in the flow of traffic -- the possi-
29 bility that one year, due to depressed conditions,
30 there might be a much lesser number of ships coming



1 English

2 in - is this a factor that has been taken into
3 account in your scheme of target system with minimum
4 and maximum levels?

5 A. Yes, it has been. As I have said
6 before, we haven't worked out any detailed scheme,
7 for the simple reason that obviously it could be done
8 in several different ways; but this particular point,
9 of course, is the basic one. It would have to be
10 looked after. It was discussed in Ottawa on various
11 occasions.

12 For example, it was recognized that
13 it would be necessary to build up some kind of a
14 buffer to look after any possible downward trend in
15 the volume of traffic; and, yet, I think there are
16 people who are more expert at being able to do these
17 things, in the form of actuaries, that all concerned
18 felt that this was a problem and that as long as you
19 recognized the principle that money had to be there
20 at the right time, this could be worked out over a
21 given period, or on a continuous basis, so that there
22 always was this emergency fund, you might call it,
23 to fall back on to be certain of meeting your obliga-
24 tions on the minimums.

25 Q. During the course of their evidence
26 the pilots have pointed out that in times of crises --
27 and I think they referred to in the area of the
28 thirties, for example -- there could be a drastic
29 decrease in the traffic coming to our ports.

30 Has your scheme any basis -- or is your



1 English

2 scheme, in your opinion, offering any basis to get around
3 these difficulties and procure, perhaps, what the
4 pilots are seeking, in security?

5 A. I think so, and here again it would be
6 necessary . . .

7 MR. LALONDE: I object again on my
8 friend's statement that the pilots are seeking security.
9 It doesn't appear in the brief, I think. If he is
10 putting the question on that basis I would object to
11 it, otherwise I have no objection.

12 MR. BRISSET:

13 Q. Well, let us assume, rightly or wrongly,
14 that the pilots are seeking some kind of security, Mr.
15 Colley?

16 A. I think it would be necessary to study
17 this problem based on the past experience, and going
18 back over the years you mentioned, if I correctly
19 interpret what you are trying to get at, if, on the
20 one hand, there was some type of crisis, as in wartime,
21 when I believe there were no ships coming up here
22 for a period of time and no pilotage was required --
23 and this would, perhaps, be extreme -- or if there
24 was no traffic coming into the St. Lawrence for some
25 reason, it would, of course, be necessary to analyse
26 what the reason is; I don't think it would be reasonable
27 to assume that if the St. Lawrence River, for some
28 reason, because of a change in the water level, or
29 something, is not going to have any traffic, that
30 you should continue to pay minimum wages to a body of



1 English

2 pilots for doing nothing indefinitely; I don't think
3 that would be reasonable. But I would also think that
4 for this type of circumstance there should be a special
5 provision so that there would not be any hardship on
6 discontinuance of the service, or the need for service.

7 That is the extreme --not likely to
8 happen; more likely it would be a change in pattern,
9 that for a given or good reason less pilots are needed.
10 Then I think our scheme could take care of that because
11 if it were more than a small proportion of the pilots
12 that were in excess then you have a sort of natural
13 attrition, in any case, through pensions or retirement
14 and I would think that there should be a built-in
15 part of the scheme that would take care of the
16 intermediate processes until, through natural pro-
17 cesses, the pilot body was reduced, as I say, through
18 retirement and pension.

19 I don't think that is so difficult.
20 It is hard to give just one pat answer and say Yes,
21 it would be done. There are many considerations.
22 But what we are saying is that we would aim at the
23 principle of giving security and looking after even
24 a situation that is quite, quite radically different
25 from the normal; and I think it could all be built
26 into such a scheme.

27 Q. However, very drastic events, like a
28 war, for instance, would have to be dealt with as such
29 as something that all and sundry cannot really guard
30 against?



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Colley, dir
(Brisset)

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1 English

2 A. Yes, I think so; and I don't know from
3 my own experience of what took place at any particular
4 time, and how the pilots were looked after, but there
5 must be a history of that, and perhaps there is
6 something to be learned from that also.

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1 English

2 COMMISSIONER SMITH: Mr. Colley, in
3 connection with the matter you were speaking about the
4 increase in the size of ships; recently within the last
5 week the National Harbours Board has released some
6 statistical information, not with regard to the number
7 of ships broken down into harbours of the St. Lawrence,
8 but in the overall picture of all the eight harbours
9 the Board administers. The figure^{is} high, 38,451
10 vessels entered those harbours but this must bear some
11 relation to not only the size of the ships but also
12 the number of ships; the cargo handled in all the
13 harbours on the St. Lawrence, Montreal, Three Rivers,
14 Quebec, had substantially increased, the cargo handled.
15 I know you cannot say that is evidence of the increase
16 in the number of ships because, as you say, the size
17 of the ships has increased but that may account for
18 quite a large portion of the increase in the cargo
19 handled.

20 Generally speaking, the record would seem
21 to indicate that there has been an increase all around,
22 not only in the size but the number and certainly the
23 cargo figures as given here are quite striking figures
24 of the cargo increase handled over last year, the
25 previous year.

26 Unfortunately the number of ships in the
27 past year is not given in this release and it is hard
28 to make a comparison, I know, but is it your opinion
29 that there has not been an increase in the number of
30 ships that come to the various harbours in the St.



1 English

2 Lawrence.

3 THE WITNESS: No, I wouldn't say that.

4 I was not trying to imply that. I think the number
5 of ships could vary and it would seem to me, just as
6 an observer who is in the business, that it is reasonable
7 to assume that last year, for example, we had more
8 ships because of the Russian grain so that this does
9 fluctuate and generally speaking also with the natural
10 increase in productivity and particularly those basic
11 products with which we are concerned, I think it is
12 also natural to assume that there would be increased
13 traffic greater than the increase in the size of the
14 ships. Therefore there would be a greater number
15 of ships each year.

16 THE CHAIRMAN: I think this is borne out
17 by your Appendix 51 when you look at the two columns,
18 the total net tonnage and the vessels served, 61,000
19 tons and the aggregate number of ships. We see there
20 is an up-trend as far as the tonnage and also as far as
21 the number of aggregate trips for Quebec and Montreal
22 River over four years.

23 MR. BRISSET: My Lord, there is definitely
24 an increase in the net tonnage but starting from 1959
25 with the opening of the Seaway there doesn't appear to
26 be really an appreciable increase in the number of
27 ships.

28 THE CHAIRMAN: But not a decrease anyway.

29 MR. BRISSET: Not a decrease. The increase
30 was not as significant as from 1958 to 1959.



1 English

2 THE CHAIRMAN: No.

3 MR. BRISSET: In 1959 there were
4 7291 in the Quebec District and in 1963, 7359.

5 MR. LALONDE: My lord, if I may
6 just refer to this. We have Exhibit 671. That is
7 the brief submitted by the Federation of St. Lawrence
8 River Pilots, Appendix 62, the second chapter, about
9 the rôles of the pilots. In my copy the indexes are
10 in the wrong chapter, there is a list of statistics
11 taken from the shipping reports from 1945 to 1961
12 inclusive for all the harbours in the St. Lawrence
13 River and all ports in Canada. There is a division
14 made between deep sea shipping and ocean shipping.

15 MR. BRISSET: What page?

16 MR. LALONDE: They are not in pages,
17 they are numbered.

18 THE CHAIRMAN: This appears after
19 page 52 of the English version of the brief.

20 MR. LALONDE: There are 23 tables
21 there. You have the tonnage and the number of
22 ships, the cargo transported for every year.

23 THE CHAIRMAN: Thank you very much.
24 It would be very useful to have this information with
25 the other for reference purposes.

26 MR. BRISSET: My lord, I would like to
27 change the subject at this stage and pass on to the
28 recommendations, and as this entails the gathering
29 of other files I am wondering whether it would be
30 possible to adjourn at this time. I frankly did not



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Colley, dir
(Brisset)

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1 think we would reach that this morning.

2 THE CHAIRMAN: That is all right.

3 We will adjourn until 2.30 p.m.

4 ---Luncheon adjournment.

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1 English

2 ---Upon resuming at 2.30 p.m.

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4 MR. LALONDE: My lord, I have received
5 information requested by my friend Mr. Brisset about
6 the gross and net earnings of the pilots in the
7 Corporation of Montreal Harbour Pilots, St. Lawrence
8 and Seaway Pilots and Upper St. Lawrence Pilots. I
9 will file these documents under the number which was
10 reserved for them.

11 I also have the information requested,
12 I believe, under No. 860 concerning the claims paid
13 by the insurance company, the Canadian Premier, to
14 the three Corporations concerned. I also have the list
15 of the number of delegates elected by the Annual
16 General Meeting for the Corporation of the Upper
17 St. Lawrence Pilots, the delegates to the Federation
18 of St. Lawrence River Pilots, which, I believe was
19 under 856. I have a question, my lord. The
20 Minutes of the meeting of the Shipping Federation
21 has been approved. I don't know whether this
22 information has been filed already. I would appreciate
23 it if it were.

24 MR. BRISSET: It will be filed, my
25 lord, I hope tomorrow.

26 My lord, in connection with the exhibit
27 giving the distribution of the pools in the Montreal
28 Harbour Pilots during the previous years to 1963, we
29 were furnished with a statement for the years 1960,
30 1961 and 1962. We would be also interested in the
year 1959 as the Pilots of the Harbour of Montreal



1 English

2 had been already in function for, I believe, two years
3 at least prior to that, and the Corporation was formed
4 in 1958, I believe.

5 MR. LALONDE: Is that information
6 requested for the Montreal Harbour Pilots only?

7 MR. BRISSET: Yes.

8 MR. LALONDE: I don't have the details
9 here, my lord, although I have a statement here, for
10 instance, which indicates the net earnings of a pilot
11 who has been employed for a whole season last year
12 was \$11,991.

13 MR. BRISSET, would that be satis-
14 factory to you?

15 MR. BRISSET: May I be allowed to
16 consider that?

17 THE CHAIRMAN: Yes.

18 MR. BRISSET: And review my applica-
19 tion, if necessary?

20 THE CHAIRMAN: Yes. Also as it
21 was stated before all statistical information or reports,
22 yearly reports are going to be completed up to date.
23 That is, we are going to ask you that they be completed
24 for the year 1963 where figures are available.

25 MR. LALONDE: There are two things,
26 my lord, I would like to raise. One is that I want
27 to apologize for the information given. I have before
28 me a statement of a T4 of a pilot in that District
29 which is close to \$12,000, but I have also a sheet
30 here where the net income per pilot would appear to be



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Colley, dir
(Brisset)

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1 English

2 in Montreal Harbour in 1959, \$14,294.30, out of which
3 there would need to be deducted the cost of insurance,
4 \$422.41.

5 THE CHAIRMAN: What kind of insurance?

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1 English

2 MR. LALONDE: Sickness insurance, all
3 that, and bad debts, bad accounts, \$487 that year, which
4 would be close to \$900 from the \$14,294.

5 As to the other statement, do I under-
6 stand, my lord, that we are referring to the evidence
7 being given by the Department of Transport or all the
8 other pilots' sheets for 1963?

9 THE CHAIRMAN: Any statistical infor-
10 mation that we have or reports, we are going to
11 write . . . This is being done now. We are writing
12 to everyone that the 1963 reports be furnished.

13 MR. LALONDE: My lord, you in your
14 decision referred to the balance sheets of the Shipping
15 Federation -- you have agreed to our request that it
16 should be produced -- and in view of the fact that
17 this information is more of a confidential type, and
18 certainly in view of the fact that there is no reason
19 why we should not open negotiations on tariffs pretty
20 soon with the Shipping Federation, I wonder whether
21 this information should not be considered confidential
22 to the Commission?

23 I might say pretty soon the three
24 year period ends. I think it ends some time next
25 spring or next fall or next winter. I would consider
26 that it would be prejudicial to the pilots to make this
27 information available to other parties before the
28 Commission.

29 THE CHAIRMAN: I do not understand
30 your reason. You will have to make it clear, because



1 English

2 I do not see it.

3 MR. LALONDE: Next winter there may
4 very well be negotiations for tariff revisions with
5 the shipowners, and the information which is contained
6 in the balance sheets of the various Corporations
7 contains matters which are of interest to pilots
8 obviously and to this Commission certainly, but they
9 are not of interest to shipowners and they have not
10 been provided to shipowners in the past.

11 THE CHAIRMAN: You are just requesting
12 that this further information be kept confidential?

13 MR. LALONDE: Yes, my lord, as being
14 of a more recent date and having more relevance to
15 current discussions which might take place. I must
16 say that there has been no decision as regards our
17 request for tariff revisions for next year yet.

18 THE CHAIRMAN: In any event, that is
19 what you request. When you file them would you make
20 the request again so that we will know exactly what is
21 involved?

22 MR. LALONDE: Yes.

23 THE CHAIRMAN: Then if we have any
24 request that they be shown to anybody else we will
25 decide that at the time.

26 MR. LALONDE: Obviously, my lord, if
27 the report of the Commission is out by the time and
28 the Commission on Pilotage is in function, we will
29 have no objection to filing all the information that
30 the Commission requires.



English

MR. BRISSET:

Q. Mr. Colley, I want to pass on now to the recommendations to this Commission of the Shipping Federation of Canada which are contained in pages 82 and following of the Federation's brief, Exhibit 726.

The first recommendation for the record is as follows: This has to do with the adequacy of the organizational structure provided under The Canada Shipping Act as it exists at the present time. The recommendation reads:

"On the executive side, the creation of a permanent Board of Pilotage Commissioners as a non-political agency having, under its enabling Act, jurisdiction over the administration of pilotage in the whole of Canada."

Recommendation No. 2 reads:

"On the administrative side, the creation of local pilotage committees in each of the pilotage districts established by the Board of Pilotage Commissioners having the autonomous administration of the pilotage services in their respective districts and charged with the full and complete enforcement of the bylaws which, when approved by the central authority, will govern such districts."

There is one point I want to clear up right away before



1 English
2 you proceed. When there is this reference to the
3 Central Authority in you recommendation, you refer,
4 of course, to the Board of Pilotage Commissioners for
5 Canada; that is correct?

6 A. Yes.

7 Q. Your brief, Mr. Colley, in respect of
8 these two recommendations contains many arguments which
9 I do not think it is necessary to go over here. But
10 I would like you to stress before the Commission some
11 of the important reasons -- or at least that the
12 Shipping industry considers important -- at the base
13 of this recommendation.

14 COMMISSIONER SMITH: Before the
15 witness goes on with that, just for clarification pur-
16 poses, in recommendation No. 1, "jurisdiction over
17 the administration of pilotage in the whole of Canada"
18 -- would that include (I do not think it does, because
19 somewhere else I think mention is made of excluding
20 private harbours such as Port Cartier, and there may
21 be others); but the "administration of pilotage in
22 the whole of Canada" would not include the privately-
23 owned harbours where pilotage is conducted. Am I
24 right in that?

25 MR. BRISSET: Mr. Smith, there is no
26 mention of this in the brief, as to the situation of
27 private harbours. But if the Board of Pilotage
28 Commissioners were to decide that they should have
29 jurisdiction over, or that there should be pilotage
30 as we know it -- that is, controlled pilotage by



English

governmental authority - then we feel that the Board of Pilotage Commissioners should have the required jurisdiction. But we are not at the present time taking any position either for or against control by the Pilotage Commissioners of Canada over private harbours.

COMMISSIONER SMITH: So when the recommendation says "pilotage in the whole of Canada", that is subject to some variation?

MR. BRISSET: We will develop these points later on, Mr. Smith, when we will come to an outline of the powers and jurisdictions of this Board, which I think will make our position perhaps clearer.

THE CHAIRMAN: In other words, what you say there is that the Board would be charged with the application of the law of pilotage wherever it is applicable?

MR. BRISSET: Wherever it is applicable.

MR. LALONDE: Has the statement of policy put by my friend been adopted by the Federation, the Executive Council or a general meeting?

MR. BRISSET: I beg your pardon?

MR. LALONDE: Your statement of policy so far as private harbours is concerned; is it a statement which has been approved by the Shipping Federation?

THE CHAIRMAN: I think I may add that it has in view of the fact that it is here.



English

MR. LALONDE: Yes, but the statement made by my friend does not appear in the brief.

THE CHAIRMAN: Which one?

MR. LALONDE: The fact, if I understood him well, that the power to decide whether or not a private harbour is or is not covered does or does not come under the jurisdiction of the Board of Pilotage Commissioners.

THE CHAIRMAN: Well, it says here "jurisdiction over the administration of pilotage in the whole of Canada", so it all depends what is in the law.

MR. BRISSET: I think we are putting the cart before the horse. That will come later on and will be somewhat clearer.

As to the statement made by my learned friend asking whether what he considers to be a statement of policy on my part is approved by the Shipping Federation or not, all I can say is that as far as I recollect in all my discussions with the Shipping Federation of Canada members the issue of private harbours was never raised.

Q. To come back to my question, Mr. Colley, I was asking you to stress what could be considered as important points that you would like to bring to the attention of the Commission with respect to these two recommendations?

A. Briefly, in respect to No. 1, which is the executive side, it is naturally our objective or



1 English

2 we visualize a Board that would be as little as pos-
3 sible affected by political considerations. I do
4 not think I need go into that further. We have
5 already been through quite a lot of our story, which
6 I think is self-evident -- why we think it should be
7 avoided as far as possible.

8 Of course, very closely linked with
9 that is the power of the local pilotage committee, the
10 administration on the local level, because the power
11 of the local committee naturally depends to a very
12 great extent upon the support and the backing on
13 the executive side. If the local committee under-
14 stands that they have full jurisdiction over the
15 administration and that continual questions will not
16 be raised on whether or not they have the right to
17 do things in this way or that, I think it is only
18 then that at the local level you will find a proper
19 administration. So the two are linked to that
20 degree.

21 We will probably get more details
22 later. I think I should stop my initial comments
23 at that point.

24 Q. From the story that has been developed
25 before the Commission through your evidence and that
26 of Captain Matheson, I have realized that on a great
27 many occasions, if I may use this expression, pilotage
28 at the local level was administered by remote control
29 -- if I may use this picturesque way of saying it.
30 In your experience what have you to say in respect of



1 English

2 this practice?

3 A. Of course, under the system that has
4 been in effect, and is still in effect today, that has
5 been the end result. Matters that should be decided
6 on the local level have not and they have found it
7 finally being discussed on the equivalent of the
8 executive level in the Department of Transport in
9 Ottawa, to such an extent, I believe, that eventually
10 there was no effective discussion or implementation
11 of any of the points of dispute.

12 I mean, it is rather ridiculous.
13 I think that a matter that pertains to despatching, or,
14 say, a question of a tariff change on a detention
15 basis, there may be a request that a detention charge
16 should be deducted from \$3 to \$6. I do feel that it
17 is quite an imposition on a cabinet minister to be
18 faced with the settling of a problem like this. This
19 is our idea of what should be settled at the local
20 level on the administrative side without it being
21 necessary to call in an umpire or to refer it to the
22 higher level.

23 Yet this is actually what has happened,
24 to such an extent that I would say we ended up with
25 one department which was both executive and adminis-
26 trative that spent ninety-five per cent of its time
27 on administrative problems.

28 Then, if I may just continue, the con-
29 sideration of these administrative problems finally
30 ended up in the hands of a cabinet minister. A



1 English

2 cabinet minister, of course, does have political con-
3 siderations. He may not always be able to look at
4 a problem purely on its face value or purely on its
5 own merits. He may have other considerations, and
6 this we do not think is good.

7 Q. In other words, from what you said
8 political considerations even entered into a settle-
9 ment of small matters which could have been settled
10 at the local level according to the experience you
11 have had in these last few years?

12 A. Yes, that is true.

13 Q. Mr. Colley, in pages 93 to 96 of your
14 brief you relate the circumstances of a particular
15 problem which arose in connection with the change-
16 over of pilots at the St. Lambert locks. There is
17 already considerable evidence before the Commission
18 on this particular problem and I do not want to go
19 over the details again. In what category would you
20 place this problem in the light of the remarks you
21 have just made?

22 A. I would say it is definitely a local
23 problem, one for the local committee at the adminis-
24 trative level to solve. Naturally in this case you
25 are dealing with two different districts and therefore
26 it would presumably bring together the two local
27 administrations. They are the ones concerned and
28 they are the ones who know the practical difficulties
29 from living with these problems day by day. Un-
30 doubtedly they are the ones who should have been able



English

to come up with a practical solution to the problem and say, "That is it", without having the problem finally aired in Ottawa in the Department of Transport offices.

Q. Mr. Colley, the recommendations Nos. 1 and 2 which have just been read are, of course, couched in very general terms, and I think it would be important at this stage if you could give perhaps an outline of the powers which in the opinion of the Shipping Federation should be conferred upon both the Central Authority - which I call the Board of Pilotage Commissioners -- and the local Pilotage Committee, so that one could see how the pilots would be divided as between executive and administrative.

Have you prepared such an outline which we could review with you before this Commission?

Page 13137 follows



1 English

2 A. Yes, I have; and I should say this is
3 done in quite a general way. In other words, the
4 objective is to just show in principle what we are
5 thinking of and how it could be done.

6 Naturally, this is a rather crude
7 document in itself, and I think further work would be
8 required; but at least it will show what we have in
9 mind.

10 Q. In other words, what you consider to
11 be within the executive domain, that is, the body that
12 makes the executive decisions, and what is within the
13 administrative domain, the organism that puts into
14 effect the decisions of the executive? Is that a
15 proper way to describe it?

16 A. Yes.

17 Q. For the assistance of the Commission
18 I would like to file this document as Exhibit 945 so
19 that we can review it later on in a little more detail.

20 ---EXHIBIT NO. 945: Outline of powers of suggested
21 Board of Pilotage Commis-
22 sioners and of Local Pilotage
23 Committees

24 Q. Mr. Colley, I would like to take up
25 the various paragraphs of this document and ask you for
26 comments on them. It reads:

27 "The powers of the Board should
28 be primarily executive . . ."

29 That is, the Board of Pilotage Commissioners for Canada.

30 ". . . and in pursuit of its functions



English

the Board could make use of the present staff of the Department of Transport in looking after pilotage. These powers would include the following powers: That of establishing new pilotage districts and of abolishing existing pilotage districts."

Would you comment on that particular item, particularly in the light of, perhaps, Mr. Smith's remark earlier?

A. Yes; in other words, what we are saying is that the Commissioners would have the powers and the scope to act throughout Canada wherever they saw fit; and it would be up to the Board of Commissioners to decide where their functions should be incorporated or enforced.

COMMISSIONER SMITH: Without any definite, specific directions or indications in a legislative way as to the circumscription of their authority?

THE WITNESS: I think that now we are getting into a legal affair, but No, basically we do feel that the Commission should be given such full authority to administer pilotage throughout Canada wherever they felt that it was desirable and necessary.

MR. BRISSET:

Q. In other words, let us assume that in a particular harbour the conditions were such, with an increase of traffic, for instance, or other consideration,



1 English

2 that it was found advisable to institute a pilotage
3 system and a pilotage service. Am I right in
4 understanding that in such cases you would want the
5 Board to take that responsibility?

6 A. That is correct.

7 COMMISSIONER SMITH: And would that
8 authority also extend so far as abolishing pilotage in
9 any area that the Commission thought it was not re-
10 quired?

11 THE WITNESS: Exactly, yes; power to
12 do either one -- to create or to abolish.

13 THE CHAIRMAN: Or to amend?

14 THE WITNESS: Or to amend, yes.

15 MR. BRISSET:

16 Q. This brings me to the second item which
17 is that of "... making such rearrangements of pilotage
18 districts as it may think necessary or expedient."
19 As an illustration, do you consider that what has
20 happened in the Quebec District, I think, in 1959,
21 when the station was transferred upriver some thirty-
22 five miles to Escoumins is a case in point?

23 A. Yes, I would say that is a good case
24 in point.

25 Q. In other words, you consider that such
26 a rearrangement should not require legislation by
27 Parliament?

28 A. Exactly.

29 Q. Thus avoiding the situation which you
30 have now in Quebec, a de facto situation, not in



1 English

2 fact covered by legislation?

3 A. So I understand, yes.

4 Q. Will you pass on to the second item
5 which is " . . . defining the limits of each pilotage
6 district and appointing a local pilotage authority
7 of committee for administering such districts."

8 Have you any comments you wish to make on that par-
9 ticular item?

10 A. No; I think that is fairly self-
11 explanatory. They would set up the individual dis-
12 tricts and appoint the local authority who, as pre-
13 viously described, would then be responsible for
14 administration on the local level.

15 Q. In other words, you want to leave it
16 to the Central Board of Commissioners to decide on
17 the composition of the local pilotage authority or
18 committee?

19 A. That is right, yes.

20 Q. Depending upon local conditions and
21 local requirements?

22 A. Exactly, yes; that is very important.

23 Q. In other words, what I am driving at
24 is: Do you contemplate that the composition of the
25 local pilotage authority or committee shall be the
26 same in each district, or that it may vary?

27 A. No, not necessarily the same in each
28 district; and I think, depending upon the local con-
29 ditions obtaining, that it could very well vary.

30 COMMISSIONER SMITH: Excuse me a



English

minute, Mr. Brisset. Would this be a proper way to describe it -- and correct me if I am misstating the thing -- that all the authority at present, so far as pilots are concerned, under The Canada Shipping Act, all of the authority vested at present in the Governor in Council and all the ministerial authority of the designated Minister has been transferred to this Board of Pilotage Commissioners?

THE WITNESS: Yes.

COMMISSIONER SMITH: That is the picture?

THE WITNESS: Exactly.

THE CHAIRMAN: Even the power to appoint pilots to give the licence?

THE WITNESS: Yes.

THE CHAIRMAN: Even that.

MR. LANGLOIS: We might even abolish Parliament.

THE CHAIRMAN: No. It all depends upon the law enacting the Commission. It could always be reviewed by Parliament.

MR. LANGLOIS: Even making or creating districts?

THE CHAIRMAN: Why not?

MR. LANGLOIS: Are they not created by Act of Parliament now?

THE CHAIRMAN: That is right. It could be abolished. All laws could be abolished except, right now, the Constitutional Act--if it is more suitable that way. In the United States it is the



1 English

2 other way around. Even for tariffs it has to go
3 before Congress; so that no tariff can be changed
4 without the consent of Congress; but this is something
5 else. And a strike in the United States is worth
6 nothing, because you have to change the law. You may
7 strike through the law. The Pilotage Commission has
8 no authority whatever because the law can be changed.

9 MR. LANGLOIS: I know that this is
10 argument, but is it not one way to do away with
11 political influence, that you add as much into the
12 law as you can so that it can't be affected by a change
13 of political body?

14 THE CHAIRMAN: We are in a democracy,
15 but there is a difference between politics and demo-
16 cracy to that extent.

17 In any event, we should not argue too
18 much about this. It is not the time.

19 MR. BRISSET:

20 Q. However, the legislative aspects of
21 the organization contemplated have just been raised,
22 and perhaps at this stage I should quote to you from
23 page 2 of your memorandum which says:

24 "It is further recommended that
25 the Board of Pilotage Commissioners for
26 Canada should come under the jurisdiction
27 of the Minister of Transport, or the
28 jurisdiction of his Ministry, just as
29 the National Harbours Board does come
30 under the jurisdiction of the Minister



English

of Transport, or the jurisdiction of his Ministry, and that the latter would, of course, be responsible for bringing about the taking of the required legislative action by Parliament to create and keep in operation the administrative and executive system herein contemplated."

In other words, Mr. Colley, you foresee that legislative action has to be taken before the organism -- the one described in your notes - can be created?

A. Yes, that is right.

Q. And if the law which creates that organism in the first place has to be amended, for instance, I take it you would foresee that the Minister of Transport or his Ministry would bring before Parliament the required legislation calling for an amendment of The Pilotage Act, if I may put it that way?

A. Yes, I do; and I think that is still quite a different system to what we have today.

In other words, although we still have the Minister of Transport involved in this problem it is only on the legislative level. In other words, it would be impossible under this system for the Minister to become embroiled in all the day-to-day picayune affairs that have been the pattern in the past.

Also, the comparison, as we make here,



English

with the National Harbours Board is, I think, rather a good one in a way because there is an example, to my mind anyway, of a government agency or entity that does effectively work with a minimum of regard for political considerations and yet, in the final analysis, to get their enabling legislation they must go to the Minister.

Q. And to get their funds in order to be able to operate?

A. Exactly.

Q. They have to go to the Ministry, too?

A. That is right.

Q. To get their appropriations voted . . . ?

THE CHAIRMAN: Unless they do this by indirect taxes through the tariff.

MR. BRISSET: There is also this aspect of the matter; but I think we all know, your lordship, that the National Harbours Board is voted appropriation through the appropriate Ministry, in addition to its source of revenue through charges and dues, and so on.

COMMISSIONER SMITH: That is true; and they are also under the direction of the Minister. That is the phraseology used in the National Harbours Board Act. They are "under the direction," although there may be some argument as to what is the correct meaning of "direction".

THE CHAIRMAN: It should be clarified!

MR. BRISSET: Perhaps Mr. Smith is



1 English

2 better able than anyone here to state to what extent
3 the National Harbours Board . . .

4 COMMISSIONER SMITH: The appropriations
5 have to be voted by Parliament for any new construction.
6 I think, perhaps, those appropriations are limited --
7 and were in my time -- to the types of expenditures
8 that cannot be taken out of operating revenue, and
9 anything that is of a construction nature, and building
10 of installations or facilities; that has to be voted
11 by Parliament.

12 MR. JACQUES: And the surplus of
13 revenue-- is it turned over to the Consolidated Fund
14 at the end of the fiscal year, or retained by the Board?

15 COMMISSIONER SMITH: Surplus revenue --
16 there is a section in the Act which provides that each
17 harbour must be treated separately and any surplus in
18 any harbour --say Montreal -- must be turned into the
19 trust fund for Montreal Harbour. Nothing goes into
20 the Consolidated Revenue Fund, as such -- I mean in
21 the sense that it can be taken out again. It can't.
22 Anything earned by any of the harbours must be spent
23 at those harbours and those harbours alone. Anything
24 earned by Montreal couldn't be spent in Quebec.

25 MR. BRISSET:

26 Q. To come back to Item (c), you say that
27 the Central Board of Commissioners would appoint a local
28 pilotage authority. You have indicated, I believe,
29 already that you did not contemplate that this should
30 be interpreted as meaning that the composition should



1 English

2 be the same in every District?

3 A. Yes; that is correct.

4 Q. I want to pass on now to Item (d),
5 which is that of determining whether the payment of
6 pilots' dues shall be compulsory in any district, or
7 be paid in any district, on the class of ships.

8 Have you any comments on that point?

9 A. No; only, again, that this should be
10 a matter for the decision of the Commissioners, as
11 distinct from being limited by legislation as to what
12 can be done in this regard.

13 In other words, they should have dis-
14 cretionary power to decide this themselves in the light
15 of the conditions that may pertain

16 Q. I note in this item that you speak of
17 the compulsory payment of pilots' dues. If I may
18 go further than you have in the notes, would you go
19 along so far as to say that the Board would have the
20 power to decide whether there should be compulsory
21 pilotage in any particular district, taking into
22 account special conditions, say, like control of traffic,
23 or other reasons?

24 A. Yes, I think that should be up to the
25 Commissioners to decide.

26 Q. I pass on now to (f), which reads:

27 "That of granting pilotage exemptions
28 in any district and the conditions of such
29 exemptions."

30 Have you any comment on this? Could you tell us why



1 - English

2 you left this to the central Board of Commissioners
3 rather than to the local pilotage committee?

4 A. Well, again I think a decision of
5 this nature is something that should be in the hands
6 of a competent body, as we visualize the Commissioners
7 would be, and, again depending on the circumstances
8 that pertain, it is the type of decision that they
9 should be able to make, rather than having it subject
10 to Act of Parliament, or, say, decision by Parliament.

11 THE CHAIRMAN: Will you allow appeal
12 from the dedsion on these matters from the local
13 Board of Commissioners to the central Board of Commis-
14 sioners?

15 THE WITNESS: Yes; from the local
16 administrative level, yes, always.

17 THE CHAIRMAN: To the central one?

18 THE WITNESS: Yes.

19 MR. BRISSET:

20 Q. In other words, if I may put it in this
21 form: The granting of exemptions, I take it, in your
22 opinion, should be viewed in the light of the general
23 interest of Canada and Canada's trade?

24

25

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30



1 English

2 A. Exactly, yes.

3 Q. That is why you leave that to the
4 decision of the Central Executive Body?

5 A. That is right.

6 Q. I pass on to the next item, F which
7 reads "To authorizing the pilotage authority in each
8 district to make bylaws and approving such bylaws."
9 Have you any comment to make on this one?

10 A. Again I think what we visualize is that
11 most of the work, if I can put it that way, should
12 really be done at the local level. The executive level
13 and the Central Board are involved only in the broad
14 aspects of policy so that on the local level -- and
15 again they being familiar with the local conditions,
16 should come up with the suggested bylaws of how that
17 district is to be run.

18 Now, this of course would have to be
19 approved by the Central Board naturally from the point
20 of view that the Board would want to be certain that
21 pilotage in general throughout Canada is being carried
22 out, let us say, having full regard to certain basic
23 principles that they might set as standards of operation,
24 and therefore the Central Board would have to pass on
25 any proposed bylaws of the local people to make sure
26 they conform to these national standards.

27 Q. In other words you expect that the
28 Central Board could give directives as to the framing of
29 the local bylaws and would approve of them eventually
30 but the work of preparing them would be done by the



1 English

2 local body or local committee?

3 A. That is right.

4 Q. Then the Central Board would decide
5 whether they fit in within the general pattern, taking
6 into account the interests of Canada as a whole?

7 A. That is correct.

8 MR. LANGLOIS: My Lord, here I have a
9 question. I don't think I should have to ask the
10 question of the witness but rather of counsel for the
11 Shipping Federation. When you speak of a bylaw,
12 were you speaking of a bylaw confirmed by the Governor-
13 in-Council?

14 MR. BRISSET: No, Mr. Langlois. We are
15 speaking of bylaws prepared by the local committee,
16 correct me if I am wrong, approved eventually by the
17 Central Board of its own authority without going
18 through Parliament or --

19 MR. LANGLOIS: There is quite a difference.

20 THE CHAIRMAN: The assumption is that
21 there would be a new law that would do away with the
22 necessity of having local bylaws approved by the
23 Governor-in-Council. All the powers of organizing
24 pilotage and districts and so on would be vested in the
25 Central Board and then the Central Board would be able to
26 approve the local bylaws without going to Order-in-
27 Council.

28 MR. BRISSET: My Lord, there is a little
29 problem here which perhaps may warrant further study.
30 To give an illustration: The National Harbours Board



1 English

2 do enact regulations. They are given this power under
3 their enabling act. The regulations, however,
4 are approved by Order-in-Council and as far as my
5 limited knowledge goes, the stamp of the Governor-in-
6 Council is just, as far as I can see, a formality.

7 THE CHAIRMAN: It is just like any decree or
8 ordinance. They generally have to go through Order-
9 in-Council in order to be published and so on.
10 This is normal procedure.

11 MR. LANGLOIS: It is the question of
12 publication that bothers me.

13 MR. BRISSET: What we intend to convey here
14 is that the Central Board has the authority to enact
15 these regulations and to frame them but we are not
16 opposed to the administrative process of going through
17 Order-in-Council.

18 THE CHAIRMAN: The rubber stamp.

19 MR. BRISSET: Going through Order-in-Council
20 and published in the Canada Gazette.

21 THE CHAIRMAN: I don't suppose the Governor-
22 in-Council would like that.

23 MR. BRISSET: Perhaps I should not have
24 used that expression.

25 THE CHAIRMAN: I see what you mean.

26 MR. BRISSET: It may be a good safeguard.
27 We are not opposed to this.

28 THE CHAIRMAN: To do something like the
29 Senate is doing, I suppose.

30 MR. BRISSET: I pass on to the next one,



1 English

2 Mr. Colley, which says:

3 "That of determining the minimum/maximum
4 yearly earnings of the pilots in each District
5 in relation to their workload and to set the
6 accounting procedure to be followed; take care
7 of deficiencies or surplus in the Pilotage
8 revenues of the District."

9 This is quite clear cut. I wanted to ask
10 you why you leave this to the Central Board rather
11 than the local committee?

12 A. I think this is very much a question of
13 broad policy. If the remuneration or the proper
14 remuneration of pilots is an important question, as
15 we certainly feel it is, then it should not be permitted
16 that their level of remuneration would be entirely
17 subject to the whims of local conditions in any one
18 particular district.

19 Rather, I think this is a policy that the
20 Board of Commissioners should interest themselves in
21 so that they may be satisfied that the standard of
22 pilotage they wish to have throughout Canada is
23 maintained and that correspondingly the standards of
24 remuneration are on an equitable basis.

25 MR. BRISSET: I pass on to the next item,
26 H, - which reads: "That of determining what part of
27 the cost of the service in each district would be borne
28 by the users of the service and what part would be
29 borne by the government as a public service to shipping."
30 Would you explain what you have in mind here in this



1 English
2 particular recommendation?

3 A. Well, I think again it is a matter of
4 policy to decide what in the national interest or in
5 the interest of the country as a whole should be
6 absorbed by shipping as such for a service and what
7 portion might be considered in the national welfare or
8 national interest and accordingly be absorbed in that
9 manner through the public purse.

10 But, I would again visualize that this Board
11 of Commissioners would be quite capable in having
12 a broad outlook on this thing to be able to make a
13 sound judgment on such matters.

14 COMMISSIONER SMITH: Mr. Colley, I would
15 like to put a question to you that has been asked in
16 other places in Canada where the National Harbours Board
17 operates. What would your opinion be with regard
18 to the National Harbours Board taking over pilotage in
19 Canada?

20 THE WITNESS: Do you mean throughout?

21 COMMISSIONER SMITH: Yes.

22 THE WITNESS: Or within individual ports?

23 COMMISSIONER SMITH: All over. All
24 pilotage that is operated in Canada put under their
25 control and supervision or jurisdiction?

26 THE WITNESS: No, I don't think I would be
27 inclined to go that far, Mr. Smith. It could very well
28 be that in some instances they might be the logical
29 authority but I would not say on an overall basis that
30 that is something I would recommend.



1 English

2 THE CHAIRMAN: Can you see at places there
3 would be a conflict of interest?

4 THE WITNESS: Yes, there would be un-
5 doubtedly.

6 COMMISSIONER SMITH: Take Montreal Harbour,
7 for instance. What would you think about control there?

8 THE WITNESS: I think that there might be
9 some merit in that.

10 MR. BRISSET: Q. You mean at the local
11 committee level?

12 A. At the local committee level, yes.
13 I think there may be some merit in that.

14 COMMISSIONER SMITH: I don't know exactly
15 what you mean by "the local committee level."

16 THE WITNESS: As distinct from the Board
17 itself.

18 COMMISSIONER SMITH: In the Port Manager's
19 hands?

20 THE WITNESS: Yes. As far as if it
21 were, for example, the Montreal Harbour pilots themselves
22 and their local committee would come directly under
23 the jurisdiction of the National Harbours Board so that
24 in effect the National Harbours Board is the local
25 committee, something like this might be worthy of
26 consideration.

27 Let me say further that at this particular
28 point we have not formulated definite ideas as yet.
29 We have some thoughts in mind but we would prefer to
30 listen to further testimony that comes out of this



1 English
2 hearing, and in the light of that present our ideas
3 at the final hearing.

4 MR. BRISSET: Q. On the composition of
5 these local committees, you mean?

6 A. Yes.

7 THE CHAIRMAN: I have often said that
8 we have to think Canada-wise. There is a special
9 pattern that exists now which is worthy of consideration.
10 That is the one in Prince Edward Island where you
11 have one commission and really five sub-districts.
12 The pilot is only for one harbour not the other one.
13 So you see you have diversity there. This is another
14 pattern you might apply at various places or you
15 might not.

16 MR. BRISSET: Q. In other words, to
17 give another illustration: Would you foresee that
18 the local pilotage committee could have jurisdiction
19 over more than one place where services are rendered?

20 A. Yes, more than one individual place
21 but within a given area.

22 Q. Yes, within a given area?

23 A. Yes. I see no reason why not,
24 if that is the practical thing.

25 Q. All would turn upon the practicalities
26 of the scheme administrationwise?

27 A. Yes, exactly.

28 MR. JACQUES: With respect to the
29 question asked by Mr. Smith, have you thought that in
30 these harbours there is a Harbour Master who has control



1 English

2 of all traffic and ship movements within the harbour?

3 THE WITNESS: Yes, that is probably true
4 in general.

5 MR. BRISSET: Q. He could certainly be
6 a member of the local pilotage committee, if not
7 completely in control?

8 A. Yes, quite so.

9 Q. Is that correct?

10 A. Yes.

11 THE CHAIRMAN: In other words, just to
12 illustrate: The National Harbours Board may be the
13 obvious pilotage authority for Churchill, for instance,
14 where there is only one wharf and it is a National
15 Harbours wharf. All the traffic has to go there
16 anyway.

17 MR. BRISSET: Q. Or, it could even
18 be for the Harbour of Montreal, which is of a greater
19 extent than Churchill.

20 A. The principle is the same.

21 THE CHAIRMAN: If we follow that principle,
22 let us say that you have a privately owned harbour
23 and that the harbour owner may be the pilotage
24 authority --

25 MR. BRISSET: Coming under the jurisdiction
26 of the Central Board.

27 THE CHAIRMAN: That is right.

28 MR. BRISSET: Subject to the directives
29 and policy decisions of the Central Board -- quite
30 possible.



1 English

2 Q. I am passing on to the next item, Mr.
3 Colley, item I which reads:

4 "To settle disputes in interpretation
5 of the bylaws of any district between the local
6 authority in such district and the pilots serving
7 therein or the users of their services."

8 In this connection you were asked whether
9 there was a possibility of appeal to the Central Board.
10 Would that be what you had in mind here, some kind of
11 appeal?

12 A. Yes.

13 Q. On the settlement of disputes?

14 A. Yes. In other words, if on the local
15 level there is disagreement between the various
16 interests, between the local authority, the pilots or
17 the shipping interest then I think there must be an
18 avenue of appeal to the Central Board. At the same
19 time I would also hope that the make up and authority
20 of the local administration is such that this sort of
21 thing would be a minimum, that there would be very few
22 occasions for appeal to the Central Board and really
23 as we visualize it, if there were many appeals to the
24 Central Board I think it would reflect there was
25 something wrong with the local administration and the
26 answer to that problem would be to do something about the
27 local authority rather than continually open up or
28 invite on the level of the Central Board continually
29 items of dispute for settlement.

30 Q. I pass on to item J:



1 English

2 "That of prescribing what type of control,
3 if any, should be exercised over Pilotage in
4 any of the smaller ports where pilots offer
5 their services on a purely private basis and
6 of conducting investigations into the competency
7 of such pilots and the nature of the services
8 rendered."

9 A. I think the Board should have that
10 authority because insofar as pilotage anywhere
11 constitutes a public service I think it is important
12 that the Board be familiar with pilotage anywhere that
13 is offered and that they should have the authority
14 of --

15 Q. Intervention?

16 A. Yes, intervention and to control the
17 standards. In other words, if there is pilotage
18 anywhere then the Board should be familiar and have
19 full authority to set standards.

20 THE CHAIRMAN: That is the Central Board?

21 THE WITNESS: Yes, My Lord.

22 THE CHAIRMAN: You would not delegate that
23 power to the local Board with a wider power for an area
24 that is not organized around its boundary?

25 THE WITNESS: Perhaps that may be done,
26 My Lord. I think again it would depend on the local
27 situation. Perhaps we have some situation like that
28 down on the East Coast where through Badar Lake, for
29 example, there are widely dispersed areas that require
30 pilotage on a very limited basis; not many men, where



1 English

2 perhaps local authority could set the standard that
3 the Central Board wishes and from then on they can
4 make certain of it but always the Central Board would
5 have the opportunity or the final authority to satisfy
6 themselves that this final authority or the passing
7 on of powers was being done in accordance with their
8 standards.

9 MR. BRISSET: Q. In other words, if the
10 Board found that some control should be exercised in
11 a particular area where pilotage services are rendered,
12 they being under the control of no controlling authority,
13 the Board would have the power to take over or decide
14 that this should come under some authority, which might
15 be eventually the Local Committee, limited to that
16 area or having jurisdiction over a greater area?

17 A. Yes.

18 Q. Is that putting it fairly?

19 A. I think so. In other words, they would
20 have the power to delegate their authority in whatever
21 manner they considered was proper.

22 COMMISSIONER SMITH: Mr. Colley, you
23 mentioned Badar Lake district. That is a small one,
24 of course, but that brings up the question of pilots
25 that are going outside their district and piloting in
26 the Straits of Canso where they are not licensed to
27 pilot. There is some question of just what the
28 responsibility would be in cases of disaster; how much
29 of a burden of responsibility of the accident, if it
30



1 English

2 was due to their negligence or lack of skill or some
3 other reason, would fall on the pilot individually
4 because they are outside this jurisdiction.

5 They are piloting in a district where they
6 have no licence to pilot. There is some question
7 raised as to whether that limitation of \$300 in the
8 Canada Shipping Act would apply. They are outside
9 the scope of their own operations and their own
10 jurisdiction.

11 I presume this committee would be able
12 to handle a situation like that?

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16 Page 13161 follows
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1 English

2 THE WITNESS: I think they would be in a
3 better position to handle a situation like that than
4 is the case today insofar as this Board of Commissioners
5 would basically have the authority to deal with
6 pilotage anywhere in Canada.

7 COMMISSIONER SMITH: Yes, that is a point.
8 Of course, it is contended that -- I am not disputing
9 it and I do not want to argue it -- but under the
10 definition of a pilot in the interpretation of the
11 section of the Act, a pilot is a pilot providing he
12 is not a member of the crew of the ship no matter
13 what waters he is in. The fact that he meets that
14 definition means he comes under the \$300 section in
15 the Canada Shipping Act, and it does not matter where
16 he runs into a disaster.

17 However, that is enough of that.

18 THE CHAIRMAN: We will take this occasion
19 to adjourn for ten minutes.

20 --- Recess

21
22 MR. BRISSET: Q. Mr. Colley, I pass on
23 to item No. K, which reads:

24 "Of convening and holding hearings on
25 all matters of interest to the shipping industry
26 and the pilots in relation to pilotage problems
27 in general or pilotage problems arising in any
28 one district."

29 The recommendation is quite clear in its
30 terms, but perhaps you could give us some of the



1 English

2 reasons behind this particular text?

3 A. Again, contrary to the system that
4 we have been used to which seemed to resolve itself
5 with members of the shipping fraternity rushing to
6 Ottawa and presenting their problems on the lap of
7 the Minister or the Deputy Minister and then the next
8 day pilots doing the same thing, and then in our
9 discussions we would be told by the Minister that the
10 Deputy told him so and so and the pilots told him so
11 and so -- rather to cut across all this, in effect to
12 have a public hearing. We feel that that would be
13 a healthy approach on such matters that required to
14 be aired on the executive level. That would in effect
15 be really a public hearing so far as if it is something
16 of interest to the public reporters could be there
17 if they wished to be and all sides would be able to
18 hear the arguments of the other at the same time.

19 Q. Instead of being told that somebody
20 told somebody and so forth, as we have heard this
21 morning?

22 A. Yes, that is right:

23 Q. On this topic, Mr. Colley, I want to
24 remind you that you had more or less joint hearings
25 before the inter-departmental committee with the pilots
26 on one side of the table, the shipping industry on
27 the other side and officials of the Department sitting
28 at the head of the table?

29 A. Yes, that is very true. That was in
30 away a public hearing. But there was one very big thing



1 English

2 that was lacking. That was that the members of the
3 Department who sat at the head of the table really had
4 no authority to deal with the problems. All they could
5 do was listen to submissions of all parties and then
6 return to Ottawa and perhaps give their recommendations
7 to the Deputy Minister or the Minister, as the case may
8 be. Not only was it unsatisfactory in that they
9 could not give a decision themselves, but I think it
10 is reflected itself in the meetings as well.

11 In other words when you are attending a
12 meeting under the auspices of officials who know that
13 what they decide may not be the eventual solution, they
14 become very guarded in commenting on proposals as they
15 come up. I think the atmosphere is a different one
16 completely from what we visualize.

17 Q. I pass on to the two other recommendations
18 that I will join together --L and M, which say that
19 all approving and supervising the operation of the
20 pooling agreement of the pilots in each pilotage
21 district, of causing annual audits to be made of the
22 books of the pilots' corporations and so forth,
23 examining their constitution, hearing complaints against
24 the corporations by the members and generally ensuring
25 that all actions taken by the corporations towards
26 their members do meet the fundamental requirements of
27 due process of law.

28 Can you add anything to what is recorded
29 in your notes on this particular subject?

30 A. I think it is also important -- and that



1 English
2 is what these items are meant to convey -- it is
3 important for any supervisory body such as the
4 Pilotage Commissioners, I think, to be satisfied in
5 the interests of the individual pilots that the pilots
6 are obtaining the full measure of their compensation
7 for pilotage and that this is being done in the
8 interests of the individual pilots, because we have
9 discussed before the philosophy that when a pilot
10 gets his money, the money that he has earned, of course
11 he is free to go and do anything he wants with it.
12 But I think there should be an obligation on the part
13 of the Pilotage Commissioners to make certain that
14 the pilot does get his fair share of money or, if not,
15 that there is a very valid reason and explanation
16 why he does not.

17 Q. Why is the shipping industry interested
18 in this particular problem?

19 A. Well, we are the ones who pay for
20 the service and what we have to pay for the service
21 performed is related to what the pilot receives.

22 On the one hand we have often been told that
23 the pilots do not receive enough. Yet when we total
24 up the fees that have been paid for the services it
25 would appear to be considerably more. I think that
26 when we pay for a service we are entitled to know
27 that that money is substantially being passed on to
28 the man who has provided the service.

29 Q. While we are on this topic, Mr. Colley,
30 and as we have just been provided with the statement



1 English

2 showing the distribution of the pool, say, in the
3 Harbour of Montreal -- or for the Harbour of Montreal
4 corporation -- for the years 1960, 1961 and 1962, I
5 would like you to have a look at this statement and
6 perhaps explain with figures what you have in mind here.

7 Let us take first the year 1960. Will
8 you tell us according to this statement what was the
9 gross take insofar as the pool was concerned of each
10 pilot?

11 A. The gross appears to be \$10,248.79.

12 Q. Divided into how many pilots?

13 A. Sixteen.

14 MR. LALONDE: Where does that figure come
15 from?

16 MR. BRISSET: From Exhibit ---

17 MR. LALONDE: From the exhibit you have
18 just produced?

19 MR. BRISSET: It is the annex to the
20 financial statements of the corporation of the Montreal
21 Harbour Pilots Exhibit X. We will provide a number
22 later on.

23 Q. You were saying that the pool divided
24 amongst the sixteen pilots showed a gross of how much?

25 A. \$10,248.79.

26 Q. According to the statistics that you
27 have had from the Department of Transport on the gross
28 take as reproduced in your statement, Appendix 51 to
29 the brief of the Shipping Federation, will you tell us
30 what were the gross earnings per effective pilot that



1 English
2 year in that district?

3 A. According to the Government statistics
4 the gross earnings per effective pilot were \$11,971.41.
5 I notice in this case that the number of effective
6 pilots and active pilots is the same, so it makes it
7 even simpler.

8 Q. Could you make this calculation now
9 telling us exactly the difference between the gross
10 take according to the pool funds and the gross take
11 according to the statistics of the Department?

12 A. According to my arithmetic the
13 difference is \$1,722.62.

14 MR. LALONDE: Is the witness aware that
15 the exhibit he is referring to does not include
16 detention money, which is kept by the pilots directly?

17 THE WITNESS: No, I am not aware of that.

18 MR. LALONDE: That explains quite a part
19 of the difference.

20 THE WITNESS: But this is supposed to be
21 a statement of earnings.

22 MR. BRISSET: A division of the pools.
23 I must admit that this just came out five minutes ago
24 and it was not the subject of great study.

25 Q. However, there is a difference of
26 one thousand -- would you repeat?

27 A. \$1,722.62.

28 Q. Which we are told may well be accounted
29 for by detention, which would mean, of course, there
30 had been considerable detention during that year for



1 English

2 pilots?

3 A. Yes.

4 Q. Anyway according to the same statement
5 of the division of pool funds after deducting insurance
6 and other administration expenses, what was the net of
7 the pilots?

8 A. The net appears to be \$9,331.11.

9 Q. Is that what you had in mind when you
10 said the pilots might have been complaining that they
11 were not getting enough money?

12 A. Yes, because on the face of it it
13 would appear from the government statistics that the
14 revenue from tariffs of the district produced almost
15 \$12,000 per man, whereas it would seem to be here that
16 the individual pilot only took home a little over
17 \$9,300.

18 Q. Plus detention, whatever that was?

19 A. Yes.

20 Q. Have you made a similar comparison
21 for the Montreal River district of that year, just for
22 the sake of your argument -- 1959, I believe?

23 A. This cannot be considered to be any
24 actual analysis, but I can just point out that on the
25 basis of the figures one thing strikes me and it
26 arouses curiosity. There may be a further explanation,
27 but I do not know if it is apparent to me what it is.
28 In the distribution of earnings Montreal River season
29 1959 there appears to be a rather standard figure
30 that appears more often than others of \$9,415. I



1 English

2 have not bothered to try and total up and find out the
3 average, but this appears quite often. I am just
4 assuming that that must be a rather basic figure perhaps
5 for those pilots who worked a full year.

6 If that is the case and then we take the
7 earnings of the Montreal River pilots for 1959 as
8 indicated in the Government's statistics we find that
9 according to those Government statistics the gross
10 earnings per effective pilot was \$13,567. Again there
11 seems to be a rather wide gap.

12 MR. LALONDE: Do you not realize ---

13 MR. BRISSET: Q. The pension fund has to
14 be taken into account in that case?

15 A. Yes, and perhaps also, as was mentioned
16 before, items of detention. But it is not obvious on the
17 face of it from the figures that we have before us.

18 MR. LALONDE: Also the fact that you have
19 two different bases. On one you are referring to
20 number of total pilots and on the other you are referring
21 to the effective pilots.

22 THE CHAIRMAN: That is right.

23 MR. LALONDE: Which makes for quite an
24 important difference.

25 THE WITNESS: Yes. I explained that
26 I had not totalled or averaged this out, because some
27 pilots, of course, earn considerably less and some
28 earn slightly more. But surely if this figure of
29 \$9,415 is the basic rate of what a pilot earned if he
30 was working full time, it should closely correspond to



1 English

2 the effective pilot according to the Department of
3 Transport's formula.

4 MR. LALONDE: Certainly not.

5 MR. BRISSET: Q. I do not want to go
6 further into these matters that are purely argumentative.
7 The point you wanted to make, if I understood your point
8 correctly, is that you have an interest as the shipping
9 industry, employers of the pilots, in finding out how
10 they eventually fare at the end of the season individually?

11 A. That is correct.

12 Q. I pass on to item No. N -- that of
13 controlling or supervising the administration of the
14 pension funds in each district.

15 We have evidence to the effect that the
16 administration of the pension funds, say in the Montreal
17 or Quebec district, is done partly by the pilotage
18 authority and partly by the pilots who have advisors
19 who give them recommendations?

20 MR. LALONDE: My Lord, my friend's statement
21 is again incorrect so far as Montreal district is concerned.

22 MR. BRISSET: Is it correct as regards
23 Quebec?

24 MR. LALONDE: Yes, it is correct as regards
25 Quebec.

26 MR. BRISSET: Q. Let us limit ourselves
27 to Quebec. Is there any reason for the recommendation
28 that the controlling and supervising of the pension
29 funds be with the Central Board of Commissioners in
30 this case?



1 English

2 A. Again it is a matter of dealing with
3 the remuneration of the pilots and, as I explained before,
4 I think that you have to take national standards into
5 account for a national service. Therefore, it should
6 be up to the Board of Commissioners to satisfy themselves
7 that the pension funds are in accordance with what they
8 may consider to be desirable standards.

9 Q. In other words, the idea would be to
10 seek some kind of uniformity?

11 A. Yes.

12 Q. With the final intention of obtaining
13 perhaps better results?

14 A. That is correct.

15 Q. Since out of the pilotage dues the
16 shipping industry in fact is paying for these funds?

17 A. Yes. It is a part of the compensation.

18 MR. LALONDE: Again it is not a statement
19 which is correct as far as all districts are concerned.

20 MR. BRISSET: No -- for Quebec.

21 THE CHAIRMAN: In some districts there is
22 no pension fund.

23 MR. BRISSET: No.

24 THE CHAIRMAN: It should be 5% according to
25 the Canada Shipping Act.

26 MR. BRISSET: It is now up to 10%.

27 MR. LALONDE: The minimum is 5%.

28 MR. JACQUES: In some districts they pay
29 but they have no pension.

30 MR. BRISSET: Q. The point we are making,



1 English

2 Mr. Colley, -- and correct me if I am wrong -- is
3 that at the moment there seems to be no general pattern
4 applying to these matters?

5 A. No, very definitely there is not. I
6 think this is a defect, because it has come up on
7 more than one occasion when we have met with the
8 pilots that there is a deficiency in the pension scheme
9 that some have them and some do not. It should be
10 on a uniform basis, I think.

11 THE CHAIRMAN: Then you will meet situations
12 where it is almost impossible to have a pension scheme
13 -- when there is only one pilot for instance or when
14 the pilots are not having any pool either and everyone
15 is collecting his own money.

16 THE WITNESS: Yes, My Lord. Along
17 those lines I think that that is one of the good reasons
18 why this Pilotage Commission should have the power of
19 discretion that it does have. We have a rather vast
20 country here and we have a lot of different circumstances
21 and surely an intelligent commission could decide
22 between these various districts which it should be
23 rather than the unwieldy process of having to pass
24 special legislation in each case.

25 MR. BRISSET: Q. The last item on your
26 list, Mr. Colley, is the one of ordering and super-
27 vising the preparation of statistical returns covering
28 all phases of the pilotage system operating in each of
29 the pilotage districts or harbours coming under the
30 jurisdiction of the Board. I do not think this



1 English

2 requires comment. We have heard a considerable amount
3 of evidence on the subject of statistics so far.

4 But to pursue this item further, would you
5 be of the opinion that the statistics should be made
6 available to both pilots and the shipping industry or
7 other interested parties?

8 A. Yes, definitely.

9 THE CHAIRMAN: It would take a very good
10 glossary in order to define what is the meaning of
11 each term very clearly.

12 MR. BRISSET: Q. In view of the disputes
13 that have been in progress over the last few years
14 over statistics, do you believe, Mr. Colley, that the
15 Central Board of Commissioners could perhaps do a special
16 study of the problems and come up with some standards
17 that would be acceptable to all concerned?

18 A. I would hope this would be one of the
19 early considerations of the Commission.

20 Q. Of the Board, you mean?

21 A. Of the Pilotage...

22 Q. I would like to pass on now to the
23 powers of the local pilotage committee. One of your
24 main remarks in this regard is this one, and I quote:

25 "It is envisaged that such powers will
26 be fully exercised at the local level particularly
27 as regards the full enforcement of the bylaws
28 which will govern the district."

29 I think you have already dealt with this
30 topic and unless you have something to add as to the



1 English

2 advantage of full local power of administration we

3 will pass on to another subject. Have you anything

4 to add on this?

5 A. No, I think I have expressed my views.

12 --

16 --

23 -



1 English

2 Q. Now, I have noticed that you entrust to the
3 local committee the power, or the duty, if I may say
4 so -- the responsibility -- of framing the bylaws
5 which will govern the district?

6 A. Yes.

7 Q. To be later approved by the central
8 authority?

9 A. Correct.

10 Q. I want to go on over the items covered
11 by bylaws as you envisage them.

12 First of all, the qualification of
13 pilots to be licensed: why do you leave that to the
14 local authority?

15 A. I think it should be basically;
16 probably, in actual practice, it would be found that
17 there are a number of qualifications that are common
18 to all bylaws in various districts, but nonetheless
19 it is possible that there might be occasions for minor
20 differences, depending upon the circumstances of a
21 particular district, and, therefore, the local people
22 would have the opportunity of framing the bylaws in
23 the first place.

24 Q. In (b) you also leave to the local
25 committees the responsibility of licensing the pilots.
26 When you refer to "licensing" here I take it that this
27 refers to the pilot's licence and not to the licence
28 of an individual who might obtain his master's licence
29 or an officer's licence?

30 A. No, no; the licensing of pilots.



English

THE CHAIRMAN: This is as it stands now with regard to local commissions?

MR. BRISSET: Yes.

Q. That is what you have in mind?

A. Yes.

Q. Item (c) refers to the government of pilots. I take it this is discipline and conduct on board ships and that type of matter?

A. Yes; the despatching, the general organization on the local level of how pilots are to perform their duties. I don't mean how they are to perform their duties on board ship. I mean how it is to be organized, that they are able to present themselves to perform their ship's duties.

Q. When Captain Matheson was examined he made the recommendation that, if at all possible, pilots before boarding a ship, should be reporting to the pilotage station -- before proceeding to board their vessel. Have you anything to add to what Captain Matheson said in that regard, comparing the recommendation with the present practice?

A. Yes; well, I would say this is an example of the type of thing that I think should be decided and ruled upon by the local committee; this should be their decision, from an intimate knowledge of the circumstances; and they should be the ones to decide.

It shouldn't be, as I suspect is sometimes the case, that practices grow up not primarily



1 English

2 from a regard for what is best for the service but
3 perhaps influenced a little bit more by what is most
4 convenient and comfortable for the pilots. And I
5 think that the local committee should, in itself,
6 have rather high standards of service and should be
7 looking firstly at the objective of service -- really
8 efficient service.

9 Q. To give an illustration would you
10 consider, for instance, that in certain districts
11 there would be an advantage in having pilots on call
12 at the station instead of waiting in their homes?

13 A. Well, that may be. I personally would
14 not wish to comment on that because I don't think I am
15 competent to go into the details; but I do think that
16 is the type of problem which could be very adequately
17 studied and settled by the local committee.

18 Q. I pass on to Item (e) in which you leave
19 to the local committee the responsibility of deciding
20 the rates of payment or dues to be made in respect
21 of pilotage dues to meet such of those expenses of
22 pilotage services that are to be borne by the users
23 thereof, including the remuneration of the pilots
24 computed on the maximum minimum area earnings as
25 set by the local authority.

26 My question is: Why do you leave this
27 to the local authority or local committee rather than
28 to the central board?

29 A. First of all, let me say, or point out
30 again, that we would be leaving it to the local committee



1 English

2 and always with the right of the central board to
3 approve or change in any way. But this way I think
4 it would be a local problem to decide, between the
5 shipping interests in that area and the local authority,
6 what is the best method of raising the money that is
7 necessary to remunerate the pilots in that district.

8 It could be, for example, that in one
9 given area a formula of tariffs as you have at the
10 present time in the river, is desirable -- is considered
11 desirable by the shipowners, or it might be that they
12 preferred simply a flat rate. I don't think it is
13 important how it is applied, as long as the central
14 board is satisfied that it will produce sufficient
15 funds. I don't think that it makes too much differ-
16 ence how it is applied either as long as it satisfies
17 the local conditions; and, as I say, there should be
18 different considerations in one district as compared
19 to another.

20 Q. I pass on to Item (f), the rules
21 governing the retirement of pilots. Have you any
22 comment on that item?

23 A. No, I don't have.

24 Q. But you would want to leave that to
25 the local authority?

26 A. Yes.

27 Q. The adjustment of disputes between
28 pilots and the users of their services: Why do you
29 leave this topic to be settled at the local level?

30 A. Well, this is something that is happening



1 English

2 on the spot, so to speak. The people who are most
3 intimately involved and the closest to any situation
4 that arises would be the local committee, naturally;
5 and certainly we have the evidence in the past where
6 disputes had to be settled by remote control, where
7 they just don't get settled. It is certainly much
8 more efficient and time-saving to do it on the spot
9 with the people who are closely connect with it.

10 Q. Finally . . .

11 THE CHAIRMAN: On this subject, you
12 have also here the time element which is very important
13 when you have a master going abroad.

14 THE WITNESS: Yes.

15 THE CHAIRMAN: I mean, he may not be
16 back.

17 THE WITNESS: Yes.

18 THE CHAIRMAN: So it has to be settled
19 right away otherwise it will never be settled, or, in
20 any way, investigated into.

21 MR. BRISSET:

22 Q. The time factor, as the Chairman has
23 pointed out, is quite important in these matters?

24 A. Very much so.

25 Q. And has your experience shown it to
26 be so?

27 A. Oh, yes.

28 Q. Finally, you note that the establishment
29 of pension funds for the pilots and the administration
30 thereof should be a matter for the local committee. But



1 English

2 as I recall the powers of the central committee, the
3 overall supervision and control would be with the
4 central board?

5 A. That is correct.

6 Q. Now, to speak on practical matters
7 I take it that in administration you include the
8 despatching, and signalling service, station reporting,
9 Is there anything else?

10 A. The accounting.

11 MR. JACQUES: What about pilot boats?

12 THE WITNESS: I think on the local
13 level this is a matter that they would also wish to
14 interest themselves in.

15 MR. JACQUES: The Central Board, on
16 the Local Committee only -- the pilot boat and also
17 the despatching facilities which are presently owned
18 either by the pilots or by the Crown in other ports?

19 THE WITNESS: Now, again, you are get-
20 ting into the question of policy or discretionary judgment
21 which I would hope is something that the Board could
22 decide themselves.

23 The question of pilot boats and whether
24 they should be a public expense or whether they should
25 be an expense against ships has, in the past, been a
26 matter of government policy to decide whether this
27 was a particular item of service that was in the public
28 interest more than a specific interest; and decisions
29 have been made, as I say, on that basis. So I
30 wouldn't wish, in respect of these general proposals,



1 to be more specific and say that I think the pilot
2 boats should be run this way or the other. I rather
3 think that is a government decision, or a policy de-
4 cision, that might very well be studied and decided on
5 by this Board that we visualize.

6 MR. JACQUES: And what would be the
7 composition of this Board and the Local Committee?

8 THE WITNESS: Well, again, as I said
9 earlier we have not finalized our thoughts on the
10 specific composition of these boards. We would like
11 to listen to all the evidence that comes out here
12 and then we will, before the final hearing, or at the
13 final hearing in Ottawa, bring specific recommendations
14 in this regard.

15 COMMISSIONER SMITH: This policy might
16 vary from one district to another?

17 THE WITNESS: I beg your pardon?

18 COMMISSIONER SMITH: This policy
19 regarding ownership and operation of the pilot boat
20 might vary from one district to another?

21 THE WITNESS: Yes, it could, very well.

22 THE CHAIRMAN: Depending on local
23 circumstances?

24 THE WITNESS: Yes.

25 THE CHAIRMAN: For instance, at a place
26 where there is little traffic, or where there may, on
27 account of special hazards, be a very big boat which it
28 would be out of the question for the local pilots to
29 buy.

30 MR. JACQUES: Would you apply the



1 English

2 principle of keeping the funds of each district separate
3 as the funds of the various harbours of the National
4 Harbours Board are now?

5 THE WITNESS: Which funds are you
6 referring to?

7 MR. JACQUES: Well, the collection of
8 dues, for instance? Or would you foresee that there
9 would never be any service, or never be any adminis-
10 tration paid out of that fund?

11 THE WITNESS: No; well, just at this
12 stage I would think that it would be wise to keep
13 them separate if for no other reason than that this
14 would reflect a guide as to whether or not the proper
15 tariffs are being applied to districts.

16 Maybe in due course of time it would be
17 possible to simplify, because we have seen already, in
18 respect to various pilots' services, not only here but
19 in the Great Lakes, that there is room for considerable
20 savings in manpower and efficiency by consolidating a
21 lot of these operations where you have to have a
22 separate accounting office. If you have a dozen or
23 a couple of dozen pilots this is not too efficient a
24 procedure; and you have to have the type of equipment
25 available to perform these working functions.

26 MR. JACQUES: The accounting could be
27 centralized but your funds yet could be separate?

28 THE WITNESS: Yes; in other words, you
29 would have one operation but in the final analysis
30 you would get a report district by district.



1 MR. BRISSET:

2 Q. In other words, you foresee the
3 centralization of administration as regards accounting,
4 for instance, in order to save expenses?

5 A. Yes; and not just in accounting. I
6 think it could go much further than that. I think that
7 with such a system as we propose here you would have
8 definite savings over the system that we have known
9 and that is still in effect today.

10 MR. JACQUES: A few more questions.
11 The liability of a pilot is now in the amount of \$300
12 by The Canada Shipping Act. Have you thought of re-
13 taining this limitation of liability?

14 THE WITNESS: Well, if I can put it the
15 other way, we have not thought of proposing any change.

16 MR. BRISSET:

17 Q. In other words, you are not interested
18 in making the pilot personally liable for the accident
19 he might be responsible for?

20 A. No; we can't see that that would have
21 any really practical or beneficial result.

22 MR. JACQUES: This is my second
23 question: Would the pilot be considered a private con-
24 tractor or an employee of this Board?

25 THE WITNESS: I don't know how you
26 would define this in the legal sense, but I will just
27 give you my own point of view. I would think in a
28 practical sense he is an employee of the Board in so
29 far as he comes under the direction of the Board and
30 the Board sets the standards of his service and of his



1 English

2 remuneration; so to that extent he is what you might
3 say -- he is subject to the powers of direction of
4 the Board.

5 MR. BRISSET: But not a salaried employee,
6 if I may use that expression?

7 A. No. There is a distinction.

8 MR. JACQUES: Would you elaborate on
9 the distinction which you make between a pilot and a
10 salaried employee?

11 THE WITNESS: Well, a state salaried
12 employee -- if we are referring to the example of the
13 civil servant -- that would be a set annual salary
14 regardless -- irrespective of the type of ships or
15 volume of ships; whereas in the system we visualize
16 there is still a margin -- an area -- of what you
17 might call incentive, where an individual pilot may
18 under certain circumstances have the opportunity of
19 increasing his take-home pay; so to that extent it
20 is a little bit different from just saying "You are
21 a direct employee of the Government and you are going
22 to get so many dollars a month period."

23 MR. BRISSET:

24 Q. In other words, the pilot is paid out
25 of the dues collected under the tariff in force in
26 his district and is not paid his salary by the Board
27 of Transport Commissioners, or by the Pilotage Com-
28 mittee?

29

30



1 English

2 Q. Mr. Colley, that brings us now to
3 recommendation No. 3 and recommendation No. 4, in
4 which you advocate a formula designed to provide a
5 pre-set annual remuneration for pilots within certain
6 limits and geared to a fair workload and also it
7 advocates that tariffs required to meet the earnings
8 or emoluments of the pilot should be set in negotia-
9 tions between the Pilotage Committee in each district
10 and the Shipping Industry.

11 You have already dealt at some length
12 in your evidence in your review of the events and
13 this particular proposal. I am just wondering
14 whether you have anything to add at this stage.

15 A. I think I have commented fairly
16 fully on this topic already. I don't think there is
17 more I should add.

18 Q. The only question I am going to ask you
19 is whether there has been any change in the policy
20 that you have been advocating during the last two
21 or three years or is what you have stated in your
22 brief simply a development of what you have been
23 thinking in years past and have presented already to
24 the Department concerned?

25 A. Yes. I guess it would be necessary
26 to call it an evolution of thoughts, and basically it
27 is a thought that has become apparent to us for quite
28 a long time, inasmuch as we think it is important to
29 know what a pilot's services are worth and if we know
30 what a pilot's services are worth then the technicality



1 English

2 of raising the money and of the assessment to make to
3 the ships to achieve that becomes fairly simple; but
4 the position has always been the reverse -- that we
5 are requested to discuss tariffs and not earnings and
6 this has been the root of all our problems and dis-
7 putes and I would say has been the one major cause of
8 the deteriorating relations that have come to exist
9 particularly with the pilots' corporations.

10 Q. Now, at one stage, Mr. Colley, and I
11 refer you in this again to the little blue book,
12 Appendix 49, in the second volume of the brief of
13 the Shipping Federation, you had recommended that
14 pilots be appointed civil servants. Has this
15 thought now been discarded by our Federation or is
16 it still in your mind?

17 A. I wouldn't say that it is discarded.
18 It is certainly -- let us face it -- it is one of
19 the solutions to the problem that we face. Civil
20 service pilots work well in some areas of the world.
21 We have one example of a civil service district in
22 the Lakes Just how successful that is I don't
23 know. We hear varying tales. Undoubtedly, as this
24 hearing proceeds, we will learn more about that, but
25 I think the main reason that we abandoned the civil
26 service idea was in the light of the views expressed
27 by the pilots themselves and learning about their
28 aspirations for still having some incentive system.

29 Mind you, they want the security and
30 that is understandable, but they want also to have



1 English

2 some incentive and it is from that point of view that
3 we evolved this target income concept and it does, I
4 think, take away something from the rigidity of the
5 civil service ideas.

6 Q. In other words, your target income
7 proposal is an evolution from the rigid civil servant
8 concept that had been perhaps proposed years ago?

9 A. Right.

10 Q. Mr. Colley, have you any comments at
11 this stage to offer on the basis to govern the elabora-
12 tion of tariffs as between the Pilotage Committees and
13 your recommendations and the Shipping Industry?

14 A. Would you rephrase that a little bit?

15 Q. Have you any thoughts to offer on the
16 basis which should serve for the elaboration of pilotage
17 tariffs in the various districts? You know, you have
18 told us that in some cases at the present time you have
19 a flat fee and in other cases you have a tonnage and
20 draught fee?

21 A. Oh, yes. I think, of course, under the
22 proposed setup that we propose the establishment of
23 tariffs would then be a matter to be decided between
24 the local authority and of course the central authority
25 and the shipping interests.

26 What I mean is we would then be looking
27 at this problem from the point of view of the shipowners.
28 In other words, should one ship -- should a small ship
29 pay less than a large ship? This would be a matter to
30 be decided between shipowners as to what they consider



1 English
2 is fair.

3 Is it an undue burden that a ship of a
4 certain size should have to pay an average amount or
5 should something special be arranged and conversely,
6 a super ship, should they pay a penalty?

7 Now, in the past we have had a tariff of
8 draught and tonnage, and in a way it is a rather mis-
9 leading thing because the pilots themselves do not
10 -- amongst themselves do not seem have to regard one
11 ship as different to another.

12 In the final dividing of the pool, they
13 divide in equal shares.

14 I may go on to say or amend that to the
15 extent of an allowance for A pilots, but basically
16 that has been the pattern.

17 I think basically this has also been
18 expressed -- I have not had a chance to read all the
19 transcripts but I have read some - where the pilots
20 themselves have expressed the thought that the basic
21 principle is the same whether you have a large ship
22 or a small ship.

23 Then one is inclined to ask: "What is the
24 reason for this tariff? Why should there be an extreme
25 of tariffs between a ship of a low tonnage and one of
26 a high tonnage? How much difference does it make
27 actually?" I think -- I don't have my figures in
28 front of me here, just from memory and this can be
29 checked more specifically -- if you take the total
30 of all the fees raised, that is on this tariff basis,



1 English

2 in a given district and divide it by the number of
3 trips to get the average revenue per trip, you will
4 find that that figure does not vary very much from
5 the minimum pilotage that you have to pay.

6 Now, I can give you an example --
7 again my figures may not be exact but they will be close
8 enough to indicate what I mean. In one district -- I
9 am not sure whether it is Montreal or Quebec, we have
10 a minimum tariff -- there is a minimum draught and
11 minimum tonnage and the result is that the minimum
12 pilotage fee is -- again from memory -- \$84. If you
13 take the average of all the fees that have been col-
14 lected, the high and the low throughout the season,
15 you will find it is in the neighbourhood of \$92.
16 There is very little difference between the two.

17 Now, if there is very little difference
18 between the two, why is this grading of rates? Why
19 not then have one flat fee? Certainly it would make
20 the accounting and administration and so on very much
21 simpler and there would be less risk of mistakes.

22 I may say I have a possible theory on why
23 pilots like to have such a scale and that is because of
24 the fact that the evolution of ships is becoming larger
25 and larger and within this concept then there is a
26 built-in automatic increase that comes year after year
27 that you do not have to negotiate. You do not have
28 to argue about it; it just comes.

29 Q. You said you had figures on which you
30 have worked in connection with the evidence you have



1 English

2 just given. Would you be in a position to perhaps
3 give us more accurate figures at a later stage?

4 A. Yes. They were a very simple cal-
5 culation and with these notes before me I could recite
6 where I took the gross figures from and the number of
7 trips that I divided into it, and so on.

8 THE CHAIRMAN: Could you have it the
9 first thing tomorrow morning?

10 THE WITNESS: Yes.

11 MR. BRISSET:

12 Q. What you have stated, Mr. Colley, I
13 take it should not be construed as a recommendation.
14 You were just simplifying things perhaps.

15 A. Yes. These are things that have gone
16 through our minds when we have considered the earliest
17 pilotage problems and without coming to any firm con-
18 clusion, but I think the considerations perhaps are
19 of interest and could be of interest in further thoughts
20 and study that is being made by everyone.

21 Q. Have you anything more to add on these
22 two recommendations 3 and 4, and, of course, I don't
23 want you to go into all the arguments already contained
24 in the brief.

25 A. No, I think enough has been said on
26 No. 3.

27 Q. I want now to pass on to recommendation
28 No. 9, which I will quote, as some of the other recom-
29 mendations have already been covered in the evidence of
30 Captain Matheson.



1 English

2 "The acceptance of the principle
3 of collective responsibility on the
4 part of pilots were collective action
5 taken by them or through their Cor-
6 porations, the Corporations to be made
7 liable for such collective action."

8 Will you please explain to us why what appears to me
9 to be a rather drastic recommendation is being made?

10 A. This is a big topic. I don't know
11 how brief to make it.

12 Let me try to summarize from one point
13 of view. I do feel that the Corporations as they
14 exist today are able to exert very considerable
15 pressure and have been leaving us on the shipping side
16 in rather a helpless frame of mind. Now, with this
17 power, of course, should come I think a sense of
18 responsibility and if you take the one major means
19 of enforcing collective action it, of course, is through
20 the threat of strike or strike action and I don't know
21 how many times it appears in our brief here recounting
22 events. I at one stage started to underline every
23 time the words "strike" or "threat of strike" appeared.

24 Sufficient to say it is very considerable.
25 It is a major part of the policy of the Corporations and
26 I think that when you have a situation where decisions
27 are made or influenced in this manner, it cannot help
28 but have a demoralizing effect on the entire service.

29 I don't think that the individual
30 pilots entirely endorse this. This is a personal point



1 English

2 of view but I cannot help but feel that when any body of
3 men will take the law into their own hands that they
4 can afterwards have some respect for it, and I think
5 this has been shown in the evolution of the pilotage
6 district and it is for this reason that we feel it
7 should be a very clear responsibility on the power
8 that they have.

9 Q. In other words, the situation that
10 you are contemplating here and to which your recom-
11 mendation is directed is the exercise of power without
12 commensurate responsibility?

13 A. Or restraint.

14 Q. Or restraint?

15 A. Yes.

16 Q. That is what you have in mind?

17 A. Exactly.

18 Q. I pass on now to recommendation No. 10

19 THE CHAIRMAN: I think it is five
20 o'clock now, so we will adjourn until tomorrow morning
21 at ten o'clock.

22
23 ---Whereupon the hearing adjourned.
24
25
26
27
28
29
30

ROYAL COMMISSION

ON

PILOTAGE

HEARINGS

HELD AT
MONTREAL

P. Q.

VOLUME No.:

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ROYAL COMMISSION ON MARINE PILOTAGE

Proceedings of the hearing held in
the Windsor Hotel, Montreal, Quebec
on Wednesday, the 12th day of
February, 1964.

COMMISSION:

The Honourable Mr. Justice Bernier	-	Chairman
Mr. Robert K. Smith	-	Member
Mr. Harold A. Renwick	-	Member
Mr. Gilbert Nadeau	-	Secretary

COMMISSION COUNSEL:

Mr. Maurice Jacques

PRESENT:

Mr. L. Langlois, Q.C.	for the Canadian Merchant Service Guild
Mr. J. Brisset, Q.C.	for the Shipping Federation of Canada
Mr. Marc Lalonde	for the Federation of St. Lawrence River Pilots; Corporation of the Lower St. Lawrence Pilots; the Corporation of the Montreal Harbour Pilots, the Corporation of the Mid-St. Lawrence Pilots; the Corporation of the St. Lawrence River and Seaway Pilots; the Corporation of the Upper St. Lawrence Pilots.



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* * * * *



(English)

Montreal, Quebec,
Wednesday,
February 12th, 1964

HERBERT COLLEY, recalled, sworn

EXAMINATION BY MR. BRISSET, continued:

Q. Mr. Colley, during the course of your evidence yesterday you referred to some figures you had been working on to demonstrate that the spread equalling actual cost of pilotage and the mean cost may not be too significant under the present system of framing tariffs, and you undertook to explain or give more details on this particular topic. Are you in a position to do so this morning?

A. Yes, I believe I am. Do you want to refer to what I am using here?

Q. Yes.

A. I do not know how to identify it.

Q. I have not got the number right before me, but we can identify it as the statistics furnished by the Department of Transport?

A. Yes.

Q. We will give it a number later.

A. All right. I have used one of the types of statistics furnished by the Department of Transport which gives a breakdown, first of all in revenue by tonnage, draught, moveages, detentions, cancellations and no pilots, this incidentally is the Quebec district.

Q. For what year?

A. For the years 1958 to 1962 inclusive.

MR. BRISSET: We will furnish the number later on.



1 (English)

2 --- EXHIBIT NO. 589: Earnings and workloads of
3 pilots Quebec and general
4 including Saguenay River
5 for 1958 to 1962 inclusive

6 THE WITNESS: Also it is broken down to
7 indicate the total net tonnage of the vessels served,
8 the aggregate number of trips in each year, the number of
9 pilots and so on. I have taken some of these figures
10 and I am basing certain assumptions on them. I may not
11 be entirely correct in the actual detail, but I think I
12 will be able to demonstrate the principle I am talking
13 about as something worth thinking about anyway.

14 I have taken first of all 1958 in the Quebec
15 district. I have totalled the revenue obtained from
16 tonnage and draught and I come to a figure of \$817,928.
17 According to the Department statistics there were an
18 aggregate of 6,172 trips in that year, so averaging I
19 come to a figure of \$133 per trip in 1958 as the average
20 per trip revenue.

21 Calculating the tariff applicable at the
22 time on the minimum basis that is 16 feet at \$5.20 per
23 foot.

24 Incidentally it is Les Escoumains, Quebec or,
25 as the tariff said, Father Point, Quebec, \$2,000 at three-
26 quarters of a cent - \$15 - giving a total minimum charge
27 of \$98.20.

28 Q. This is the minimum which a ship of any
29 size will have to pay?

30 A. That is correct.

MR. LALONDE: Is there a different minimum



1 (English)

2 for a point from Escoumains to Port Alfred?

3 THE WITNESS: Yes. There is also a
4 different minimum between Quebec and Port Alfred. This
5 minimum worked out on the same basis comes to \$119. per
6 trip. I have not calculated here the minimum rate of
7 Father Point to Port Alfred. I think perhaps the
8 figures that I have will indicate what I am trying to
9 get at.

10 We are assuming that the average revenue
11 per trip was \$133. This, of course, is obtained from
12 different types of trips, most of which I would assume
13 are the complete trips between Father Point and Quebec.

14 So let us just look at it from that point of
15 view. The difference there between the minimum and the
16 average rate is \$35.

17 Q. To be exact, \$34.80?

18 A. Yes, all right. I have eliminated the
19 cents here - too complicated in mathematics.

20 Q. And \$14 in the case of the Port Alfred
21 trip?

22 A. Yes. So one might say that the
23 difference between the minimum and the average is some-
24 where in between. Of course, you would also have to
25 take into account the other type of trip, which I have
26 not done. It makes a rather complicated analysis.

27 What I am getting at is this. If it were
28 possible to group all of the trips between Father Point
29 and Quebec and if you listed them all down, all ships and
30 the revenue obtained on the existing tariff, I think it



1 (English)

2 would be found that most of those ships fall within a
3 relatively close classification. In other words, they
4 would fall within X dollars either way of the average of
5 \$133. To what extent I do not know, because I do not
6 have that information. But I feel that it would be well
7 worth while to actually analyse this situation to see
8 what category you have.

9 What I am getting at is that I think you
10 might find for example that 80 or 90 per cent of the
11 ships fall within a relatively narrow average range and
12 at either end there is a slight extreme. That is the
13 first point and I am making that only as food for thought
14 that there is the possibility of simplifying the tariff.

15 My second point is this. In taking these
16 averages as I have done - and I gave the example now of
17 1958 and I came to an average figure of \$133 - I have
18 taken the same figures for the years 1959 to 1962. I
19 have worked them out in the same way using these same
20 figures from the Department of Transport's statistics.

21 Q. Which are by the way extracted from
22 Exhibit 589?

23 A. Then I come in 1959 to an average
24 revenue per trip of \$140; 1960, \$142; 1961, \$149;
25 1962, \$150.

26 Insofar as this is average revenue per trip
27 I think it reflects the point that I was trying to make
28 yesterday, that there is a built-in increase in the
29 existing scale of tariff. In other words, it does
30 gradually increase year by year as you have a larger



1 (English)

2 proportion of larger ships.

3 Q. If I may interrupt, Mr. Colley, I take
4 it from what you say that there was no change in the
5 charge for draught and tonnage during that period - in
6 the basic charge?

7 A. That is right. There was no change in
8 the basic tariff, no. Of course, over that period of
9 time from 1958 to 1962 it will be seen that the increased
10 revenue per trip amounted to approximately \$17, which is
11 a percentage increase of ... It is in excess of 10
12 per cent anyway.

13 The next question that this arouses in my
14 mind is that these increases could not be predicted with
15 accuracy. One could say on the principle that I have
16 suggested that they will occur, but to what extent I
17 think it would be - well, I should not say it would be
18 difficult because it could be predicted to a certain
19 extent, but it was never acknowledged as a fact that this
20 was coming along. It was never acknowledged in any
21 discussions with the Department of Transport or with the
22 pilots' corporations that this was an accepted fact and
23 it was something that must be taken into account in
24 setting tariffs.

25 My point is that going back to 1958 if at
26 that time the criterion had been, what is a fair
27 remuneration for the pilot and if it had been possible
28 to agree on such a fair remuneration in line with the
29 target income concept that we have been talking about,
30 then what would have happened? We might have been



1 (English)

2 talking from year to year about how is the pilot's income
3 fair? Does it warrant an increase? This, I think, is
4 based on rather basic factors and I would assume that it
5 would be possible to come to an agreement on what was
6 fair in that regard.

7 One might say we come to a situation where
8 the pilot's average earnings were not sufficient and
9 there was justification for an increase. Then it is
10 agreed by all concerned that for the following year the
11 objective should be to grant them, say, a 5 per cent
12 increase. Then you sit down and work backwards from
13 this and see what you have to do to the tariff.

14 If that had been the case here, firstly we
15 would have had to take into account a natural increase
16 from tariff and we would have been able to see there is
17 a certain increase coming along anyway. Is this
18 sufficient to achieve what we have agreed is the desirable
19 salary or desirable income for the pilots? If it is,
20 fine. I think one might even go further that if that
21 principle had been followed in the Quebec district we
22 would not have had applied in 1960, I think it was, an
23 additional second pilot charge on winter navigation; we
24 would not have had applied a tonnage overcharge; we
25 would not have had applied as an addition the A pilot
26 charge.

27 Rather if the question came up of granting
28 a differential or a premium to the A pilot, what we would
29 have looked at is what revenue is available in the whole
30 pot? Is it necessary to put another surcharge on to



1 (English)

2 achieve this \$25 allowance, or whatever it is, for the
3 A pilot?

4 I think the net result would then have been
5 that the tariff in Quebec and the income in Quebec has
6 just grown. It has grown from this sort of situation
7 that no one would acknowledge exists.

8 In the final analysis, of course, with the
9 average earnings as indicated by the Department in 1962
10 of something in excess of \$15,000 - almost \$15,500 after
11 taking off the expense allowance - causing embarrassment
12 and causing difficulties all around because the thing
13 has gone out of proportion to what anybody expected or
14 what anyone thought reasonable, then we find ourselves
15 in great difficulties.

16 Q. In other words, if I may interrupt you,
17 Mr. Colley, it would not have been necessary to impose or
18 seek to impose that 4½ charge on the pilots' earnings in
19 order to satisfy Treasury Board and use this indirect
20 way of reducing the revenues which the tariff was pro-
21 ducing?

22 A. That was one of the effects certainly.

23 Q. And you might have had actually a
24 reduction in the cost to the ship?

25 A. Exactly, yes.

26 My Lord, I was not able to do the same for
27 Montreal because it becomes a little bit involved.

28 There are so many sub-trips in Quebec. I cannot tell
29 from the statistics what they mean by one trip or how we
30 can average it out. But I do suggest that if it were



1 (English)

2 possible also to take an example of all trips that were
3 full trips from Montreal to Quebec and again classify
4 them in groups, again we might find that most of those
5 trips fall within a very narrow range.

6 Q. Mr. Colley, I would like you to pass on
7 now to recommendation No. 11 at page 103 of the Shipping
8 Federation's brief, which reads as follows:

9 "The enactment of rules permitting the
10 pilotage authority to take steps to
11 ensure that in all actions taken by the
12 corporations affecting their members
13 the fundamental requirements of due
14 process of law be complied with, and the
15 interest of minority members be fully
16 protected, and that pilots in any
17 district shall remain free to join or
18 not join the corporation of their
19 district."

20 Mr. Colley, you have already partly dealt
21 with this particular recommendation in reviewing yester-
22 day the powers to be given to the Central Board of
23 Commissioners or central authority. I am wondering
24 whether you have anything to add particularly on the last
25 part of the recommendation which is that the pilots shall
26 be free to join or not join the corporation in their
27 district?

28 A. Well, simply that I do feel that it is
29 a very important principle that pilots who are joined
30 together in any kind of association should have that



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Colley, dir.ex.
(Brisset)

13200

1 (English)

2 freedom.

3 In other words, when they initially make the
4 choice to become part of an organization, perhaps with
5 understandings in mind of what benefits will accrue, and
6 then later on the pattern changes and they no longer wish
7 to be associated, it just seems to me to be a basic
8 right that they should be allowed to do so. In other
9 words, you could perpetuate a system that is outside of
10 the hands of the pilots or the pilots' influence.

11

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1 (English)

2 Q. You realize, Mr. Colley, however, that
3 there could be problems in relation to the pooling of
4 funds. In other words, if the pilots agree to pool their
5 funds one day it would be rather an embarrassing situation
6 if, the next day, they decided - or one of them decided -
7 not to pool them. Have you taken this into consider-
8 ation?

9 A. Yes; that is a basic right, or a basic
10 problem; but when it goes beyond the pooling arrangement
11 then I think there should be some freedom of action and
12 the possibility of expressing further freedom of action.

13 The pooling arrangements, of course, were
14 instituted long before the corporations came into
15 existence and I think the principles there are rather
16 basic. I don't know that there has ever been any great
17 argument or dispute on that point.

18 COMMISSIONER SMITH: Could you expand a little
19 on what you mean exactly by "freedom of action"?

20 THE WITNESS: I think that if, as presently
21 exists, the total earnings of the pilots go into the
22 corporation, which is a separate entity, then the
23 disposition of those funds is, to a large extent, left
24 up to, let us say, a very small group of people.

25 Now, basically, that may not be wrong, be-
26 cause people can delegate authority and so on, but the
27 disposition of these funds is also controlled not only by
28 pilots but it is controlled by non-pilots.

29 Again, I am not an expert on the legal
30 technicalities of it, but it does seem to me, from some



1 (English)

2 of the examples which have been described, that if an
3 individual is not too happy about what disposition is
4 being made of his money then there is nothing he can do
5 about it; he has just got to go along.

6 COMMISSIONER SMITH: Correct me if I am
7 wrong: Hasn't he given power of attorney to authorise
8 the disposition of the funds?

9 THE WITNESS: No. I believe that was done
10 in the initial stages, but later on it was not found
11 necessary to continue that practice.

12 There again, I can't describe to you the
13 legal technicalities, but as it appears now my under-
14 standing is that the money goes into the old Pilots'
15 Associations and is automatically turned over to the
16 corporations.

17 MR. BRISSET: Q. In other words, the power
18 of attorney is used for other purposes than simply the
19 pooling of the earnings and their subsequent division?

20 A. Exactly.

21 Q. In other words, the power of attorney
22 can be used - and no doubt you will agree with me that I
23 should speak in the abstract here ...

24 MR. LALONDE: You can get into the box.

25 MR. BRISSET: Q. ... The power of attorney
26 could be used for other purposes than the division of the
27 pooled funds?

28 A. That is my understanding; and, again
29 from the little that I know about it as an expert, I
30 don't say that basically the motives have been wrong in



1 (English)

2 this; but it does seem to me that what has now been
3 created could be wrong if, in time, the wrong motives
4 came out; because there doesn't seem to be any pro-
5 tection - I don't know how the individual pilots would be
6 able to change that situation, insofar as there seems to
7 be complete control in the hands of the board of
8 directors.

9 Also, I think it extends even further - and
10 again I don't say that this was the case - but I think
11 the machinery is there that could make it the case if
12 it was in the wrong hands and there were the wrong motives.
13 There is the introduction of pilots and apprentice pilots
14 come along. The same people are examining the candidates.
15 If they wanted to - if they had irregular motives in the
16 thing - it would be rather easy to control the entry of
17 these people; in other words, to get a commitment in
18 advance "You are going to be a member of the corporation",
19 and once you are in the corporation how do you get out?

20 COMMISSIONER SMITH: Yes; it is very
21 different from an ordinary limited company, where the
22 concern is only the money he has invested in it; and his
23 liability is limited to that; and the directors have
24 only control and could only dispose of that amount.
25 But in this case it is quite different. The board of
26 directors has full control of all the earnings of the
27 members; and a small majority - that is, 51 per cent,
28 perhaps - could control all the earnings of the minority,
29 and the minority could not do a thing about it except by
30 going through the liquidation of the company. I see



1 (English)

2 what you mean.

3 There may be advantages to this - the pool-
4 ing - as to the Associations before, and as long as it
5 goes very well it is all right, but if something goes
6 wrong ... It is just in order to find out what it is
7 worth - this system - that you have to take the extreme
8 possibility.

9 MR. BRISSET: Q. And it is in this regard
10 that, in your recommendations, I assume that you are
11 seeking that some control and supervision be exercised by
12 a controlling authority, the Board of Pilotage
13 Commissioners?

14 A. Yes, that is correct.

15 MR. BRISSET: That is all, Mr. Chairman.

16 We still have a few documents to file. I
17 hope they will be forthcoming this morning, My Lord.

18 THE CHAIRMAN: Mr. Lalonde, are you ready to
19 proceed?

20 MR. LALONDE: I cannot imagine that it takes
21 so long to put in a copy of minutes, but, at any rate ...

22 MR. BRISSET: Perhaps we should clear up,
23 while you are on the subject, what the particular minutes
24 are that you are referring to. I have a recollection
25 that only one is still to be produced, namely, the
26 minutes of the meeting approving the recommendations.

27 THE CHAIRMAN: We will adjourn for a few
28 minutes so that you can talk together and find out what
29 is necessary.

30 ---RECESS



1 (English)

2 MR. BRISSET: My Lord, there are two
3 documents that I am in a position to file at this time.

4 One is the exchange of correspondence
5 between Captain Matheson and Mr. Wilfred Menard,
6 Secretary-Treasurer of the Quebec Pilots Association;
7 consisting of a letter dated January 28th 1957 from Mr.
8 Menard to Captain Matheson; Captain Matheson's reply of
9 February 7th enclosing a copy of his report on the
10 moving of the pilotage station from Father Point to Les
11 Escoumains; and finally, a copy of a letter dated
12 February 11th from Mr. Menard to Captain Matheson,
13 acknowledging his report and stating that it was dis-
14 tributed to the members.

15 ---EXHIBIT NO. 946: Exchange of corres-
16 pondence between Captain
17 Matheson and Mr. Wilfred
18 Menard, Secretary-
Treasurer of Quebec
Pilots Association.

19 MR. BRISSET: The copy of Mr. Menard's letter
20 to the members, enclosing Captain Matheson's report,
21 could not be located. However, it must be in the
22 Pilots' file.

23 As Exhibit 947 ...

24 MR. LALONDE: Excuse me. I notice that all
25 this correspondence and the report of Captain Matheson
26 is dated October 5th 1956 - or October 27th, is it?

27 The problem arose in 1959 and there was a
28 committee and discussion and reports at that time; and
29 I think that the previous report which Captain Matheson
30 referred to and which was tabled before this Commission,



1 (English)

2 was a later report than this one. I stand to be
3 corrected on this, but I understand that the other report
4 was at a much later date. So this would seem to be
5 much prior correspondence when the idea was played with
6 in 1956.

7 You could check into that.

8 MR. BRISSET: Yes; Captain Matheson could be
9 recalled to give his explanation.

10 As Exhibit 947 I would like to file an
11 example of information obtained by Captain Matheson from
12 the Secretary of the United Montreal Pilots, showing
13 month by month the pilotage dues collected by the
14 Association during the year 1951.

15 MR. LALONDE: We will accept that as only
16 the one sample. I challenge my friend to produce other
17 documents than this one.

18 THE CHAIRMAN: You mean only one was ever
19 sent?

20 MR. LALONDE: Ever made.

21 This will come in the evidence.

22 MR. BRISSET: Captain Matheson could be
23 recalled on this subject and explain more fully how this
24 was worked out.

25 I am simply filing this one as a sample of
26 the type of information supplied.

27 MR. LALONDE: And I say that this is the only
28 one.

29 THE CHAIRMAN: You can establish that later.
30



1 (English)

2 ---EXHIBIT NO. 947: Sample of information
3 obtained by Captain
4 Matheson from Secretary
5 of United Montreal
6 Pilots, showing month-by-
month pilotage dues
collected by Association,
for the year 1951

7 MR. BRISSET: My Lord, we have still minutes
8 to file. I am told that they are coming. They may be
9 here in a few minutes.

10
11 CROSS-EXAMINATION BY MR. LALONDE:

12 Q. Mr. Colley, have you ever read a
13 document, published by the SIU of North America, Canadian
14 Section, entitled "The Strange Conspiracy of Upper Lakes
15 Shipping against Canadian Pilots", or something of that
16 sort?

17 A. No, I never have.
18
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30



1 (English)

2 Q. Have you been in touch with the editors
3 of the newspaper published by the SIU called Canadian
4 Sailor?

5 A. No.

6 Q. They have not been called upon to help
7 you in the preparation of this brief?

8 A. They have not.

9 Q. I am saying this because I find you use
10 strange analogies in the terminology used by the SIU about
11 Upper Lakes and the ones used once in a while
12 about pilots or corporations of pilots. I amuse myself
13 by making a sample of the expressions used all through
14 your brief and the correspondence about the corporations
15 or associations of pilots and could pick up a number of
16 instances where one would have allegations that "all the
17 power was in the hands of the few", I think on page 22.
18 Page 26 "a few were studying the policies of these
19 organizations". Page 28 "that the Port Pilotage Authority
20 was a mere collecting agency". Page 30 "strike funds
21 were certainly being built up". Page 82 and 83 you have
22 "the ultimate power vested in the hands of a few". Page
23 83 you have "unlimited and arbitrary powers --".

24 THE CHAIRMAN: Is this a question?

25 MR. LALONDE: I am just explaining the reason
26 for my question, My Lord.

27 MR. LALONDE: Q. "Unlimited and arbitrary
28 powers in the hands of a few".

29 THE CHAIRMAN: I am wondering if this is a
30 question, it is all right. If you want to put a question



1 (English)

2 to the witness, that is all right, but on the other hand
3 this is just a pleading.

4 MR. LALONDE: Q. Do you agree then with
5 the statement which is found in Appendix 62 of volume 2
6 where one refers to the "sinister corporations system";
7 a letter by Mr. Mearns to the Minister at the time?

8 MR. BRISSET: What page is that?

9 MR. LALONDE: Page 185.

10 A. Well, it is an adjective that has been
11 used.

12 MR. LALONDE: Page 186, in the middle of the
13 page.

14 THE CHAIRMAN: It appears from all that that
15 the pilots and shipping interests were not on good
16 speaking terms then. The language has deteriorated.

17 THE WITNESS: It is an adjective that has been
18 used and I suppose that is a discretionary thing with
19 other comments made also. I don't know who should be
20 the final judge of whether that is a proper adjective or
21 not.

22 MR. LALONDE: Q. I asked you whether you
23 agreed with such a statement?

24 A. I think under certain terms the word
25 does infer and has a connection with some of the aspects
26 of the corporations, yes.

27 Q. How do you define "sinister"?

28 A. That is a good point.

29 Q. Well, we will leave it to the
30 dictionary for that.



1 (English)

2 THE CHAIRMAN: Well, I think human nature
3 being human nature, you know some words are abused at
4 times.

5 MR. LALONDE: Q. I am referring you also
6 to page 106 in volume 1 of your brief, recommendation No.
7 13. You say "although this may appear to be and
8 astounding statement, it is correct to state that in each
9 of the four statistics under review within the last four
10 years of which the Federation can speak with knowledge,
11 the accidents strictly attributable to human failing on
12 the part of pilots have too often resulted in losses to
13 shipping interests - etc. etc."

14 Then you carry on the next paragraph saying
15 "it is only necessary to pick up from the statistics
16 issued by the Department of Transport some of the more
17 spectacular casualties - etc." and there is a list
18 of casualties.

19 MR. BRISSET: My Lord, I have already
20 mentioned before this Commission that the wording of
21 that sentence is unfortunate and I would prefer to let
22 the record speak for itself; that a record of these
23 casualties was in Ottawa and the Commission could
24 determine by its own investigation what the causes were,
25 to determine the cause of each casualty and what action
26 was taken by the Department, if any, with regard to the
27 pilot's licence in each of these cases.

28 THE CHAIRMAN: Yes. This list was only to
29 show to what extent it could go to damages in Maritime
30 casualties.



1 (English)

2 MR. BRISSET: That is correct, My Lord.

3 MR. LALONDE: Q. Could we not, Mr. Colley,
4 state this is not only an astounding statement as it may
5 appear and as is stated in the brief but it is also a
6 misleading statement?

7 A. That has been corrected, I believe.

8 Q. It has been corrected here but, as you
9 know, your brief was given wide publicity when it was
10 produced for the Commission. Would you believe that
11 statement such as the ones I referred to previously about
12 the pilots organizations and statements like this one
13 being printed on a wide distribution are particularly
14 conducive to good relations between pilots and shipowners.

15 A. I think the environment from which these
16 spring does not produce good relations between shipowners
17 and pilots, not the words themselves.

18 Q. You think the words, in your view, do
19 not matter and that one can use, let us say, violent
20 language with no problem and that it doesn't have any
21 effect on relations between people?

22 A. No. On the contrary my point is that
23 these are the results of the initial environment and if
24 it has to be corrected, if there is something deplorable,
25 it is basically the environment that produces the
26 secondary result, which is certainly not desirable
27 either.

28 Q. Would you explain why the pilots seem
29 to have shown much more reservation in their language in
30 that respect?



1 (English)

2 A. I don't know if you really want me to
3 comment on that.

4 Q. I want to go through your brief
5 summarily, if one can, beginning at page 5. There is no
6 use asking you the question whether you know who is the
7 pilotage authority under the present system. You know
8 it is the Minister of Transport?

9 A. Yes.

10 Q. Would you say that under the present set-
11 up of the law and in the past also, it was normal that the
12 Minister of Transport, being the supreme Pilotage
13 Authority, the people concerned should be entitled to
14 call upon the Pilotage Authority when they felt that minor
15 officials were not listening with enough care or
16 attention or goodwill to representations which were made?
17 Would you say that was normal?

18 A. That it was normal that --

19 Q. That the Pilotage Authority should be
20 called upon to hear and decide when there was a point of
21 contention between the parties or when minor officials
22 or junior officials were not agreeing to views expressed
23 by parties?

24 A. Well --

25 Q. Whether shipowners or pilots?

26 A. I don't think it was normal -- I
27 don't think normal is the right word but if you mean
28 should the Minister have been available in the event that
29 the lesser officials could not answer questions, yes,
30 certainly.



1 (English)

2 Q. Wouldn't you say also, not only when
3 minor officials do not answer or cannot answer questions
4 but also when the answers obtained were not satisfactory?
5 Is not the Pilotage Authority the final authority to
6 make decisions?

7 A. Entirely.

8 Q. Is one entitled to conclude from this
9 that political pressure is exercised?

10 A. There are political considerations,
11 certainly.

12 Q. Would it be fair to say political
13 considerations may intervene in the decisions of the
14 Minister concerned, who is the Pilotage Authority at the
15 time?

16 A. Yes.

17 Q. That is quite possible, indeed, but can
18 you conclude from this that you are exerting political
19 pressure?

20 A. I guess you would have to have a
21 definition. If --

22 Q. I am asking you the question because
23 you have not put any definition in your brief either at
24 page 5 or following.

25 A. All right. Let me say that in my view
26 the difference between pressure and political consider-
27 ation would be when the initiative, outside initiative
28 is taken to bring to the attention in this case of the
29 Minister a political consideration.

30 Q. Like what?



1 (English)

2 A. You want a specific example of what
3 type of --

4 MR. BRISSET: Yes.

5 MR. LALONDE: Q. I want to know what you
6 are referring to in your brief, if you have anything in
7 mind or is it just a general statement you want to make?

8 A. No, I am referring to the fact that in
9 Ottawa we were advised that representations had been made
10 on behalf of pilots from, I believe, local Members of
11 Parliament and other individuals who were not in the
12 pilotage field but rather in the political field.

13 Q. Who advised you of that?

14 A. Certainly Mr. Baldwin advised us of
15 this on one occasion.

16 Q. Did he know this of himself or from
17 somebody else?

18 A. How he knew it, I can't tell you. We
19 didn't ask.

20 Q. If I were to tell you that the pilots
21 were told on many occasions by officials of the Depart-
22 ment and elsewhere that shipowners - and by the Minister
23 himself - that shipowners were exerting a lot of political
24 pressure upon Cabinet Ministers and through Senators in
25 particular, would this be possible?

26 A. I know of no Senator with whom any
27 Shipping Federation had any connection.

28 Q. I am talking about shipowners?

29 A. Shipowners. Well, insofar as shipowners
30 who are represented by the Federation --



1 (English)

2 Q. Shipping interests?

3 A. Shipping interests?

4 Q. Yes.

5 A. Well, again we must go back to the fact
6 that we represent the Shipping Federation. Insofar as
7 the Federation is concerned and who they represent, I
8 don't know of any such.

9 Q. Is it a fact that you have been working
10 on many occasions very closely with the Canadian
11 Shipowners Association and the Dominion Marine Association?

12 A. We do. When we have common interests
13 we work together, yes.

14 Q. Why should one go to the trouble of
15 using or putting political pressure directly if some-
16 body else can do it for you?

17 A. I don't know.

18 Q. Do you know a man by the name of
19 Senator Campbell?

20 A. Yes.

21 Q. Was he not President of Federal
22 Commerce for some time?

23 A. I believe so.

24 Q. Was he not a member of your Shipping
25 Federation of Canada?

26 A. Senator Campbell, no.

27 Q. The Federal Commerce?

28 A. Federal Commerce, yes.

29 Q. Do you know a gentleman by the name of
30 Mr. Crump?



1 (English)

2 A. I don't personally, no.

3 Q. Is he not closely connected with
4 Canadian Pacific Steamships?

5 A. Closely connected - he happens to be
6 the President of the parent company but closely connected
7 as far as our operations are concerned, I would say no.

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1 (English)

2 Q. Have you heard of representations being
3 made directly by Mr. Crump in connection with shipping
4 problems in pilotage?

5 A. I seem to recall at the time of the
6 strike Mr. Crump made some public statements.

7 Q. Yes, and do you remember before that?

8 A. Before that? No, I do not.

9 Q. You refer to pilots' organizations as
10 "corporate and impersonal entities". What is wrong
11 with that?

12 A. I do not say anything is wrong with it.

13 Q. Because you seem to use it in a kind of
14 derogatory manner all through your brief, and I was
15 wondering whether there was anything wrong with it or
16 not. If you say there is nothing wrong, it is all
17 right.

18 I also notice that all through your brief
19 you seem to make a kind of causal connection between
20 difficulties you felt you had in pilotage and the growth
21 of the corporation system. That is a fair statement?

22 A. Yes.

23 Q. Could it be that previous to that the
24 reason why you felt you had difficulties subsequent to
25 1956, let us say - could it be that the reason was that
26 before you were pretty well leading the pilots around
27 by the nose the way you wanted to?

28 A. No, very definitely not.

29 Q. Were you active in pilotage before
30 1956?



1 (English)

2 A. Not before 1956, no.

3 Q. How can you know?

4 A. Well, first of all, you have asked me -
5 you did not preface the original question "prior to 1956".

6 Q. Of course I did.

7 Would the reporter read back the question?

8 ---The following question was read by the reporter:

9 "Q. Could it be that previous to that the
10 reason why you felt you had difficulties subsequent to
11 1956, let us say - could it be that the reason was that
12 before you were pretty well leading the pilots around
13 by the nose they way you wanted to?"

14 THE WITNESS: You will have to go further
15 back than that. Prior to what?

16 Q. The question seems to me clear but if
17 it is not clear I will repeat it.

18 THE CHAIRMAN: Repeat it in other words.

19 MR. LALONDE: Q. Could it be that before
20 1956 the pilots had not learned to stand up to the
21 Shipping Federation and that they were led around by the
22 nose by the shipowners?

23 A. All right.

24 Q. Your answer was "definitely not"?

25 A. But now that you have specified the year
26 1956 I would have to say that I am not an expert on prior
27 to 1956 and you would have to ask that of someone else.

28 Q. What time did you start working on
29 pilotage committees and all that?

30 A. Oh, it must have been about that time -



1 (English)

2 1956 or 1957.

3 Q. You think it would be fair to make a
4 causal connection between your appointment on pilotage
5 committees and the beginning of the troubles between
6 pilots and shipowners?

7 A. You might draw that conclusion.

8 MR. BRISSET: You are given a lot of
9 importance, Mr. Colley.

10 MR. LALONDE: Maybe he deserves some.

11 Q. We will skip for the time being the
12 old commission reports and come to that later on.

13 Would you say that the ship agents' or ship-
14 owners' lot is a pretty sad one altogether?

15 A. The ship agents or the shipowners?

16 Q. Yes.

17 A. You are lumping them all together?

18 Q. Well, you may divide them if you wish
19 for the answer if it might be useful.

20 A. In what way do you mean a "sad lot"?

21 Q. I have read your brief and I must say
22 that I could not help a feeling of pity for shipowners or
23 ship agents, whoever is represented here. They always
24 seem to be having the wrong end of the stick. On page
25 20 there is a statement for instance:

26 "With the current depression in the
27 shipping industry showing no sign of
28 recession, the Shipping Federation of
29 Canada became increasingly concerned
30 over the spiralling cost of pilotage in



1 (English)

2 Canada" etc.

3 Before that you say that since 1957 the ocean
4 shipping industry has suffered a recession which has
5 shown no sign of receding since and has even been
6 predicted to last another six years.

7 A. Yes. What is your question?

8 Q. Would you say it is a pretty sad story?

9 A. I do not see how you can just pick on
10 one feature and say things are a sad story. I think you
11 have to be a little bit more specific in your question.

12 Q. Are you more optimistic than this page
13 20 would let one believe?

14 A. About?

15 Q. About future business and about your
16 business. I mean, I am not reproaching you for being
17 in that business. I am sure if you were losing money
18 every year you would not be in that business, would
19 you?

20 A. That is correct.

21 Q. In view of this statement in the brief
22 I have good news for you. I would like to refer you and
23 refer the Commission to a note appearing in a volume of
24 the magazine Fortune of December 1963, pages 84 and 86.
25 The note is entitled "End of the Lean Years". I will
26 not read all that. I will table now a typed copy of
27 the article and the Commission can always refer to the
28 magazine itself.

29 ---EXHIBIT NO. 948: Extract from Fortune
30 magazine dated December,
1963.



1 (English)

2 Q. In this article it is stated:

3 "Last August shippers paid \$4.60 a ton
4 to ferry wheat from the Gulf of Mexico
5 to the North Sea. By November the
6 price had soared to over \$8 and was
7 still climbing. The coal rate from
8 Hampton Roads, Virginia to Northern
9 Europe has more than doubled to \$5.80
10 a ton since last year.

11 The situation is perhaps best reflected
12 by the mark-up of ship sale prices.
13 Liberty ships that sold for \$160,000
14 recently are now bringing almost
15 \$300,000 on the open market."

16 It goes on and on.

17 A. What was your question?

18 Q. Is it a fair representation of how this
19 situation has developed?

20 A. What you have just read?

21 Q. Yes.

22 A. There have been changes in the charter
23 market, if that is what you mean? Yes, there have been.

24 Q. Would what I have quoted from this
25 article represent a fair statement of what the situation
26 is?

27 A. Well, I think one of the first lines
28 that you read was that lean times are over.

29 Q. Yes - "End of the Lean Years", to be
30 exact.



1 (English)

2 A. This is not a fair description at all.

3 Q. Would you have available freight rates,
4 or is there a document where one could have freight
5 rates and the evolution of freight rates between, let us
6 say, Montreal and Europe between 1958 or 1959 and 1963 -
7 the end of 1963?

8 A. Yes, the document that I have already
9 submitted. The Maritime Research Annual will indicate
10 in their index that goes back for ten or fifteen years.

11 MR. BRISSET: It will indicate the
12 fluctuations?

13 THE WITNESS: Yes, in the form of a graph.

14 MR. LALONDE: Q. Would that be from various
15 areas or generally?

16 A. Oh, yes, from various areas.

17 Q. I would like to refer you to page 21 of
18 your brief. You refer at the bottom of the page to the
19 work of the inter-departmental committee. You say that
20 its main function consisted (I skip a few lines) of
21 making recommendations to the Pilotage Authority on what
22 invariably proved to be upward adjustments to the
23 respective pilots and in various pilotage districts.

24 Later on in your brief - I do not have the
25 exact page, but I am sure you will remember - you state
26 that never was there an adjustment in tariff or revision
27 of tariff which would not be an increase in the tariff.
28 Is that correct?

29 A. Never a request for a ---?

30 Q. There was never an adjustment in tariff



1 (English)

2 which did not produce an increase?

3 THE CHAIRMAN: Never a downward one.

4 MR. LALONDE: Q. I apologize for my
5 English, but I thought I was possibly clear.

6 A. No. I am just trying to ---

7 Q. Do you remember having said that in your
8 brief?

9 A. I believe there is some such reference,
10 yes.

11 Q. Anyway, this one is quite clear, that
12 they invariably proved to be upward adjustments.

13 I have been doing some mathematics. I am
14 not too good at it, but I think you can help me on this
15 one, which would show that in fact this statement is
16 wrong. I am referring to a straight tariff question.
17 I refer to the area which has been such a sore point in
18 your brief and in pilotage as far as shipping was
19 concerned, it seems, for the last few years; that is,
20 the Montreal to Kingston area.

21 If you look at your brief you will see that
22 at page 32 for instance the tariff was increased to
23 \$250 for a full trip between Montreal and Kingston in
24 1957. The following year there was an adjustment which
25 brought it to \$267.50. You can find this by referring
26 to page 35 where the increase was from \$85 to \$102.50.
27 So in 1957, \$250; 1958, \$267.50. This represented an
28 increase in my calculations of about 7 per cent?

29 A. Yes.

30 Q. Then one comes to 1959 when a complete



1 (English)

2 new structure of tariff was introduced with the use of
3 draught and tonnage?

4 A. Yes.

5 Q. If you will refer to your brief, volume
6 2, the appendix showing the earnings in the various
7 districts from 1958 on - that is, appendix 51, page 161 -
8 you have for the Montreal-Kingston district a total of
9 \$666,256.39. I have myself \$644,558.64.

10 The reason for the difference is, I believe,
11 that there were payments made later in the subsequent
12 year or two years after it was applied that year, but it
13 does not make much difference one way or the other.

14 You have here the number of trips per
15 effective pilot and the number of effective pilots.
16 If you multiply that you will get probably the same
17 figure, I think - which is 5,418 trips. The number of
18 trips, I think, is taken from the official statistics
19 of the Department. Obviously these were trips cut in
20 two - that is, each trip counted for two that year.

21 Do you have any calculation of my figures?

22 A. Yes - 5,418 trips?

23 Q. Yes, and if you divide the total amount -
24 my total amount was 644, but if you divide it even by
25 \$666,000 you will get a figure which you will multiply by
26 two to get the value of the full trip?

27 A. Yes.

28 Q. And I bet you you will get a figure
29 which is lower than the previous tariff on the full trip
30 for 1958.



1 (English)

2 THE CHAIRMAN: \$256.

3 MR. LALONDE: My calculation was not made on
4 this figure, My Lord, because I made it on the figure
5 which was provided for that year and I arrive at \$237.
6 But I am quite willing to accept that it might have been.

7 THE CHAIRMAN: I just took the number of
8 trips by effective pilots and gross earnings by effective
9 pilots and made the division there and arrived at
10 \$128. But I did not make any proof; I may be
11 mistaken.

12 MR. BRISSET: \$128 and you have to multiply
13 it by two.

14 THE CHAIRMAN: That is right.

15 MR. LALONDE: Q. There is one factor which
16 should be deducted also from this figure of \$666,000,
17 which is a total revenue of the district. You have to
18 subtract the detention and cancellation and moveatures
19 because these were not included in the tariff per trip in
20 the previous years. In that year you had \$80,582 for
21 detention, \$1,080 for cancellation and \$3,495 for
22 cancellation.

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English

1 If you want to have it per trip, or on the
2 same basis as 1957-58 you have to deduct this from the
3 total revenue of the district to have the costs of
4 pilots for effective or real trips; and the figure
5 you will get there is much lower than the figure of
6 \$267 for 1958 and the \$250 for 1957?

7 A. And your question is?

8 Q. My question is this: Would you not
9 agree that the statement you make on page 21 is wrong?

10 A. No, I would not.

11 Q. Then, you don't believe in figures?

12 A. I think there is a very logical
13 explanation. When we say that there hasn't been
14 a reduction we are, naturally, talking about the same
15 thing. The difference between 1958 and 1959 -- as
16 you have said yourself -- is because of the change in
17 the district -- the change in the trip; this used
18 to be three and a half days; the trip now takes twenty
19 four hours.

20 Q. Is it not a fact...

21 A. This is a reduction.

22 Q. Isn't it a fact that in the case of
23 the three and a half days there was no voyaging at
24 all during the night? They would travel only during
25 the day time?

26 A. That is sometimes true and was sometimes
27 true in 1959.

28 Q. I challenge you and state that it was
29 as frequent, or even 20% as frequent in 1959 as in 1958?

30 A. But that still doesn't change -- whether



1 English

2 it was caused by night navigation or not; the fact
3 remains you are trying to compare two different things.

4 MR. BRISSET: What two different things?

5 THE WITNESS: The difference in the old
6 canal system versus the new seaway system. You
7 can't separate them and say "Therefore, we gave you
8 a reduction."

9 MR. LALONDE: Q. Certainly that is a
10 reduction, isn't it? If you take a ship from Montreal
11 to Kingston one year at a cost of \$267 and the next
12 year the cost is \$250 certainly it is a reduction
13 to the shipowner?

14 A. If we have got a reduction then I
15 would say that the credit should go to the seaway, not
16 to the pilots.

17 Q. Is this not -- Yes or No -- a reduction
18 in tariff?

19 A. No, I don't believe it is; it isn't
20 in the same tariff.

21 THE CHAIRMAN: You have the answer. If
22 you don't have an answer it will be up to the
23 Commission to find its own answer.

24 MR. LALONDE: Q. On page 22 you say
25 "...pilotage costs have in fact increased at a rate
26 which has no relation to the economics of the situation..."
27 What increase in the cost of pilotage, in your opinion,
28 would have had relation to the economics of the
29 situation?

30 A. Could you give me the reference?



1 English

2 Q. It is page 22, lines 7 and 8,
3 approximately -- "As a result over the last five years,
4 pilotage costs..." etc.

5 A. Yes. Our feeling, as you know, is
6 that this has not been linked to what are fair and
7 reasonable earnings for the pilots.

8 Q. This is not the question I am putting
9 to you.

10 A. This is economics.

11 Q. Witness, I have put a question to you
12 which is a simple question and it is a question
13 relating to what you say here on pilots' costs; this
14 is not earnings; this is pilots' costs?

15 A. Yes.

16 Q. Have increased at a rate which has
17 no relation to the economics of the situation?

18 A. Yes.

19 Q. And I am asking you, in your opinion,
20 what would have been an increase in pilotage costs --
21 and I stress the words "pilotage costs" -- which
22 would have had relation to the economics of the
23 situation?

24 A. I would say that a factor that
25 represented a fair return to the pilots would have
26 had to be accepted as being within the economic
27 limits.

28 Q. And what would have been a fair
29 return to the pilots?

30 A. That is a question, of course, which



1 English
2 we have never really got down to basically. I have
3 my own personal view on this. I don't think I could
4 name any one specific figure that would cover everything.

5 Q. Do I understand, then, that the
6 Shipping Federation, over the years, has never, ~~and~~
7 contrary to the Pilots, employed experts to make an
8 analysis in that respect?

9 A. No. Do you mean to bring up a
10 specific figure?

11 Q. You are making the statement here that
12 it has no relation to the economics of the situation,
13 and that pilotage costs have increased so much; and
14 I am asking you what would have been a reasonable
15 increase in cost?

16 A. Yes. I have linked it to the earnings
17 -- the reasonable earnings -- of the pilots.

18 Q. And again I say you have never sat
19 down and made a specific assessment about that?

20 A. Not so far as a specific figure is
21 concerned, because naturally this is something that
22 would have to be considered with the pilots. But
23 the guidelines of how to establish it -- we have done
24 that.

25 Q. But, as the pilots did, you didn't go
26 and ask what would be the reasonable cost of pilotage.
27 The pilots went to an expert and asked what the tariff
28 should be. Is there any reason why you haven't done
29 that yourself?

30 A. You mean to go to an expert and ask what



1 English

2 the tariff should be?

3 Q. Yes.

4 A. I am sorry, I can't follow that one.

5 Q. Do you have in your files for the last
6 ten years a study which was prepared at your request
7 by expert economists, accountants or what not?

8 A. On what point?

9 Q. On pilots' fees -- pilots' costs?

10 A. Pilots' costs are related to pilots'
11 earnings.

12 Q. I am asking you a question which is a
13 very simple question and can be answered by Yes or No.
14 Do you have any such study in your files?

15 A. On what should be the cost of pilots?

16 MR. BRISSET: Do you have in your file
17 a study of any economists, like the ones consulted
18 by the pilots, that would have been consulted by the
19 Shipping Federation in order to have the type of ideas
20 and thoughts that were expressed in the very bulky
21 documents that have been filed before this Commission,
22 and which proved to be wrong?

23 MR. LALONDE: I challenge my friend on
24 that statement.

25 THE WITNESS: If that is what you want...

26 MR. LALONDE: That is not necessarily the
27 same question.

28 THE WITNESS: If that is what you meant
29 the answer is No.

30 MR. BRISSET: Mr. Martin and Mr. Hodgson



1 English. Mc

2 and Mr. McLeod from the Department made studies?

3 THE WITNESS: Yes.

4 THE CHAIRMAN: We will adjourn for a few
5 minutes because the arrangements are there for coffee.
6 We will adjourn for ten minutes.

7
8 --- Recess

9 MR. BRISSET: Before we proceed with the
10 cross-examination I would like to file, as Exhibit 949,
11 a copy of the minutes of the special meetings of members
12 of the Federation at which the brief of the Shipping
13 Federation was submitted and instructions given to
14 prepare it.

15 There were three meetings. The first one
16 is December 18, 1962, the second one is January 24,
17 1963 and the last one is June 11, 1963.

18 --- EXHIBIT No. 949: Copy of minutes of special
19 meetings of the Federation
20 dated, respectively, Dec.
21 18, 1962, January 24, 1963
22 and June 11, 1963.

23 MR. LALONDE: Q. Are these all the
24 minutes dealing with this brief?

25 A. Yes.

26 Q. You don't have minutes of the Pilotage
27 Commission dealing with this question?

28 A I don't have them before me, no.

29 Q I mean, are there some minutes of the
30 Pilotage Committee?

A. There could be; I couldn't tell you



1 English

2 offhand, without checking.

3 Q. Would you mind checking, and if there
4 are any would you produce them as the next exhibit?

5 A. Yes.

6 Q. At the adjournment we were talking
7 about pilots' costs and later on on page 22 you refer
8 to the corporations as "...tightly knit organizations
9 tending to establish a 'closed shop'..." You state
10 that as being a kind of phenomenon, or new factor?
11 Is that what you have in mind?

12 A. Yes.

13 Q. I think I have asked this question
14 of another witness, but I would like to know, since
15 it is noted in your brief: Could you see the
16 difference from the old partnerships which existed in
17 Montreal and Quebec?

18 A. I believe that one of the basic
19 differences would be that in the old partnerships the
20 decisions were made essentially by pilots.

21 Q. Yes; and under the new system?

22 A. Under the new system I don't believe that
23 is the case.

24 Q. What evidence would you have as to
25 the practice before and the practice ~~after~~ to support
26 your statement?

27 A. It is an opinion. It comes, I would
28 say, from association with pilots and people who
29 are in this industry.

30 Q. Did you make any study of the bylaws



1 English

2 of the partnership or the bylaws of the Corporations?

3 A. I wouldn't say that I have made a study
4 of them, no. I have been informed in a general way
5 of their principles.

6 Q. When you wrote this statement in your
7 brief had you ever looked at the bylaws of the partner-
8 ships or the corporations?

9 A. I think at the time that was written
10 we must have had available some information on the
11 partnerships; just what, I couldn't tell you offhand.
12 So far as the corporations were concerned I think we
13 were quite lacking in the details.

14 Q. Yes; my question once again: When
15 you wrote this did you study -- read -- the bylaws of
16 the partnerships and the corporations?

17 A. Well, the answer would be No.

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1 (English)

2 Q. When you gave the testimony about the
3 meetings in 1959 concerning the Cornwall-Kingston pilots,
4 you referred to a view that you held that there should be
5 a target of approximately \$10,600 for those pilots?

6 A. Yes.

7 Q. And you referred to notes you said you
8 had yourself made at the time about the average number of
9 trips, 60 trips per pilot for 50 pilots. When were those
10 notes made?

11 A. They were made at the time, that is
12 during the days either of the meetings or in between the
13 meetings.

14 Q. Were those notes which you made during
15 the discussions between you and the Department of
16 Transport or between you and the pilots?

17 A. It is possible, yes.

18 Q. You do not remember?

19 A. No, I don't.

20 Q. Were these notes formally or these
21 suggestions formally submitted to the pilots?

22 A. Yes, I am sure that we discussed with
23 them the various formulas of how this could be achieved,
24 how we thought it could be achieved because it was a
25 question of disagreement on the time element.

26 I think we finally came down to a figure of
27 14 hours per trip, which we thought was high and the
28 pilots thought was low and the Department said "Let us
29 take it at that. If it's any higher, we will put on a
30 detention clause and so on".



1 (English)

2 Assuming this was correct, we took the
3 average tonnage and draught of the vessel and came to a
4 certain figure, etc.

5 Q. When you were talking about 14 hours,
6 obviously you were talking about trips between Montreal
7 and Cornwall --

8 A. Yes.

9 Q. And Cornwall and Kingston?

10 A. Yes.

11 Q. And the discussions which took place at
12 the time were on the basis of not dividing the district
13 but two sections?

14 A. That is right.

15 Q. When you talk about 60 trips per pilot
16 you are also talking in the same terms?

17 A. Well, I am not sure. I have --
18 May I look at my notes. I can tell you. I am sorry,
19 I haven't them here.

20 Q. The target you had set up was for
21 pilots divided into groups, one working between Montreal
22 and Cornwall and the other group between Cornwall and
23 Kingston?

24 A. Yes.

25 Q. You said the pilots should make a target
26 of say \$10,600 for 60 trips and 50 pilots in the district?

27 A. Yes.

28 Q. Have you realized that if you had been
29 accepted at the time you would have been owing approx-
30 imately \$8,000 more per pilot the following year, because



1 (English)

2 the pilots did make - 1959 was a very active year with
3 the opening of the Seaway and the pilots made an average
4 of 113 trips per pilot as shown in your exhibit at
5 appendix 51, page 161 of volume 2; with the gross
6 earnings for effective pilots of \$14,582.

7 If the target had been \$10,600 for 60 trips,
8 the earnings that year would have been \$20,758 - maybe
9 not quite but over \$20,000 anyway. I have calculated
10 that on the basis of 115 trips?

11 A. I am sorry --

12 Q. You have not calculated that?

13 A. Well, I am sorry I don't have the notes
14 in front of me. What I gave you the other day was not
15 supposed to be a contentious matter. It was just how
16 we had evolved that particular tariff which in fact not
17 only produced the \$10,600 but produced more.

18 MR. BRISSET: My Lord, I have to differ with
19 my learned friend's statistics or calculations. The
20 number of trips per effective pilot in appendix 51 for
21 the year 1959 turned out to be 113.876.

22 MR. LALONDE: That is right.

23 MR. BRISSET: Well, according to Mr. Colley's
24 estimate, at the time the pilots would have been making
25 60 full trips which means 120.

26 MR. LALONDE: I am sorry. That is where my
27 friend is wrong. He is trying to put words into the
28 mouth of the witness. I have been very careful in this
29 respect to ask from the witness all the way along whether
30 this was an all-round question of two sections and the



1 (English)

2 witness said quite clearly it is.

3 THE WITNESS: Well, that is true, Mr.

4 Lalonde, but the question is on the calculation of these
5 particular notes; was I multiplying 60 by the potential
6 revenue of the vessel after two trips or one. I would
7 say I could give you --

8 MR. LALONDE: It is all right now that my
9 friend has put the words into the mouth of the witness,
10 I am satisfied with the answer.

11 MR. BRISSET: Otherwise it is illogical,
12 My Lord. 60 trips at 14 hours would mean that the
13 pilots would have worked hardly - calculating over 275
14 days -

15 THE WITNESS: 30 days.

16 MR. BRISSET: They would have worked 30 days
17 in a full season.

18 MR. LALONDE: Out of 233 days, not 275.
19 14 hours is not all on the same day. We have evidence
20 before this Commission this was nothing exceptional in
21 pilotage in the world.

22 MR. BRISSET: Perhaps the witness should be
23 permitted to look over his notes on this score before
24 committing himself.

25 MR. LALONDE: As far as I am concerned, My
26 Lord, I do not intend to come back to this question
27 again. My friend has quite properly given evidence in
28 this respect.

29 Q. Then, you stated that you had a
30 meeting with the Deputy Minister and you decided to



1 (English)

2 publish after that the little pamphlet which received
3 pretty wide distribution. How much did it cost to
4 print this - it's a pretty well presented document?

5 A. Thank you. I can't tell you offhand
6 what it cost.

7 Q. At the same time, if you are going to
8 get into it, how much did it cost to publish all these
9 advertisements in the press in April 1962? Do you have
10 any idea?

11 A. No, but I believe it was expensive.

12 Q. I have no difficulty in believing you,
13 indeed. Have you ever enquired from the Pilotage
14 Authority or the Department officials whether these
15 heavy or bulky sheets about earnings on pilots prepared
16 by the superintendent in each district were also made
17 available to pilots?

18 A. No, I couldn't answer that, I don't
19 know.

20 Q. Would you say before the formation of
21 this Inter-departmental Committee, this is the feeling
22 I have from your evidence, I must say and also Captain
23 Matheson's evidence - your relations with the Department
24 were much closer?

25 A. Prior to what time?

26 Q. Prior to the formation of what you call
27 the Inter-departmental Committee?

28 A. I don't know; in some respects, perhaps,
29 in others, no.

30 COMMISSIONER SMITH: Between the Federation



1 (English)

2 and the Department?

3 MR. LALONDE: Between the Federation and the
4 Department.

5 THE WITNESS: Yes. I am not aware or
6 conscious that there was any marked change in relation-
7 ships in general.

8 MR. LALONDE: Q. I think this Inter-
9 departmental Committee, from your brief, was set up in
10 1958 and from your evidence you would not have been there
11 much longer before then in the Pilotage Committee of
12 the Federation?

13 A. No, perhaps the previous year.

14 Q. In these discussions about tariffs and
15 earnings, I notice that you give the figures from 1958
16 and 1959 on. Is there any particular reason why you
17 did not go before those years?

18 A. I think we did in some cases. I think
19 in our brief we have a list of figures that go further
20 back than that.

21 Q. Yes, 1953, I am sorry. Has it ever
22 come to your mind that there might have been so much
23 pressure for an increase in the tariff on the St.
24 Lawrence River in certain districts because for so many
25 years before then, that is going, I would say, as far
26 back as before the war, there have been no real adjust-
27 ment, substantial adjustments in the tariff in all the
28 years, let us say, between 1930 and 1955 - 1953?

29 A. No, I am not aware of that in detail.
30 It would be necessary to --



1 (English)

2 Q. Have you ever made any study or have
3 you asked for any study to be made in this respect, of
4 the evolution of the earnings of pilots over a long
5 period of time compared to other sectors of society?

6 A. Going back as far as you mention now,
7 no.

8 Q. Let us say going back to 1945, 1948?
9 If you are going to make a study of the trend you have
10 to take at least ten years. Have you had any such
11 study made or did you make one yourself?

12 A. No, I don't think in the form I under-
13 stand you are speaking of, relating it to other incomes
14 and so on, I don't believe so.

15 Q. You see what I am driving at is: is it
16 not possible you could get a lot of backlog pressure
17 having been built over the years because, let us say,
18 the trend in the earnings of the pilots would not have
19 followed the trend in the earnings of the population in
20 general of a similar level?

21 A. I see the point that you are making and
22 I cannot deny that. I don't know that. It was not a
23 case of - may I finish the question?

24 Q. Oh yes, if you have anything to add.

25 A. Again, if you analyse the individual
26 districts as, for example, the Quebec District, the
27 natural evolution would seem to indicate that the pilots
28 were able to do quite well in this normal environment.

29 Q. Well, you have not made any such study
30 even for the Quebec pilots?



1 (English)

2 A. No, not in this statistical way.

3 Q. To use a similar expression as the one
4 you used about "environment" which would have produced
5 the usage of the language which is used occasionally in
6 letters and briefs, could it not be said that the new
7 drive or new dynamism which you feel in the pilots
8 organization would also have been the result of this
9 environment over the previous years.

10 A. The pilots' drive?

11 Q. Yes. I think you will admit with me
12 that they came to meetings with certainly more specific
13 requests maybe and certainly better prepared than they
14 were before and all that?

15 A. Granted, yes.

16 Q. Could you tell me one instance where
17 since 1959, let us say take that year, the Shipping
18 Federation has come to a meeting with specific proposals
19 prepared in advance or tabled in advance?

20 A. I don't know what you mean by specific
21 proposals but certainly, if my memory is correct, from
22 the 1960 meetings on we were proposing that there should
23 be a change in the basic system of negotiating tariffs.

24 Q. Would you have in your files any
25 documents which would have been prepared and tabled at
26 any of those meetings with the pilots, the shipowners
27 and the Department?

28 A. Oh, I don't know if we have anything in
29 that line but what we were talking about was a principle,
30 a change in the principle and until that principle was



1 (English)

2 accepted, it was rather futile to get down to the
3 mechanics of it.

4 Q. Would you recall since 1959 any
5 occasion when the shipowners would have invited the
6 pilots to a meeting about any subject and is it not a
7 fact that all the meetings which took place were either
8 at the request of the Department or at the request of
9 the pilots themselves?

10 A. No, I cannot be certain of that, no.

11 Q. Do you recall any meetings at which
12 the Shipping Federation would have invited the pilots
13 for a general discussion on any item?

14 A. Well, do you mean the pilots as a group
15 or --

16 Q. The pilots' representatives I mean,
17 the Board of Directors of any organization, association
18 or corporation to discuss pilotage problems generally.

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1 (English)

2 A. I think it is possible, but again that
3 would more likely have been something that would occur
4 between the Federation staff and the pilots than it
5 would with myself - my function.

6 Q. As far as you know your pilotage
7 committee has never taken the initiative of calling such
8 a meeting?

9 A. No, not with the framework that we have
10 had for meetings, no.

11 Q. I refer you to appendix 39. I am
12 sorry; this is not the one. It is a letter by Mr.
13 Mearns to Mr. Baldwin in which they talk about effective
14 pilots. It is Exhibit 939.

15 THE SECRETARY: A letter dated March 9th
16 1962 from the Shipping Federation to the D.O.T. on the
17 subject of statistics.

18 MR. LALONDE: That is it, yes.

19 Q. You stated that you did not know much
20 about the statistics on effective pilots and all that.
21 But would you not agree that by reading this letter it
22 seems that the Shipping Federation was pretty well aware
23 of what went on in the field of statistics between the
24 Department and shipowners and pilots?

25 A. Yes, to a certain extent.

26 Q. There is a reference there for instance
27 that there was a proposal that there should be ten days
28 allocated for sickness before it would count - before
29 they would start deducting pilots from the total number?

30 A. Yes.



1 (English)

2 Q. Do you know whether any such proposal
3 or decision was ever put into effect?

4 A. No, I do not.

5 Q. In your evidence - and your counsel
6 referred to this on several occasions - before 1959 you
7 were provided with all kinds of statistics from the
8 Department and the pilots' associations. Do you know
9 which associations were providing that information?

10 A. No, I am afraid I cannot answer that
11 question.

12 Q. Nonetheless you answered yesterday or
13 the day before on several occasions that indeed you were
14 receiving that information every year, did you not?

15 A. Yes, but if you want to know specifically
16 from whom this came, I am afraid you will have to
17 address the question to someone else.

18 Q. Would you also maintain the answer you
19 gave yesterday to the effect that this information was
20 coming every year from the associations of pilots?

21 A. Well, no, not necessarily from the
22 associations of pilots. We did receive these large
23 sheets such as we submitted. We received these regular-
24 ly.

25 Q. From whom?

26 A. From the superintendent of pilots, I
27 believe.

28 Q. From the Department of Transport at any
29 rate?

30 A. Yes.



1 (English)

2 Q. Before answering this question, yesterday
3 or the day before you have not cared to check the files
4 as to whether in fact you had all that information from
5 the associations which you referred to?

6 A. No.

7 Q. I would suggest maybe you could check
8 again at the noon adjournment with staff of the
9 Shipping Federation and you might give an answer on
10 this. But I submit to you the only information you got
11 was in 1951, which is a document prepared between Mr.
12 Hamond Secretary of the United Montreal Pilots and
13 Captain Matheson, produced as Exhibit 947. This was
14 made on the occasion of the change in the basis of
15 tariff compared to the previous basis of tariff. I
16 would ask you to check on this.

17 A. Yes, all right.

18 Q. You stated that you had an interview
19 with Mr. Baldwin in 1959 when he gave you a little
20 lesson in politics, which seems to have borne fruit.
21 Has it ever come to your mind that allegations about
22 activities by pilots' organizations, for instance in the
23 political sphere, could be made by politicians or
24 officials as a way out of pressure from one particular
25 group and that similar statements to the contrary effect
26 could have been made to pilots by the same officials in
27 other circumstances?

28 A. Quite possibly.

29 Q. Even though you never seem to have had
30 big lessons in politics before, you have a sufficiently



1 (English)

2 good idea of politicians to consider that this is
3 possible?

4 A. Yes, and whether it worked on one side
5 or the other we still feel the important thing is to
6 remove it completely.

7 Q. Before proceeding any further, I note
8 in your brief at page 24 and on several occasions later
9 on you use the words "Montreal Harbour District". There
10 again we are getting into the field of semantics, but
11 Montreal Harbour is not a district. It is a zone or
12 a section in the Montreal district. It is part of the
13 general Montreal district. There is no such thing as
14 the Montreal Harbour district.

15 A. All right; we stand corrected.

16 Q. You state at the end of page 24 con-
17 cerning the Montreal River District right at the end of
18 the paragraph that pilotage dues earned in the district
19 became payable to the corporation and no longer to the
20 association. What evidence do you have in that
21 respect?

22 A. I could not tell you offhand. I would
23 have to check into that.

24 Q. I see. May I refer you to ---

25 THE CHAIRMAN: I think this point is not
26 established by the evidence of the Shipping Federation;
27 it is established by your evidence, to the effect that
28 this is not exactly the case in practice. It may be
29 so, but in the procedure which is followed it is paid to
30 the association and then turned over. The cheque is made



1 (English)

2 to the association and then turned over.

3 MR. LALONDE: The Montreal pilotage by-laws
4 provide that payments are made to the United Montreal
5 Pilots.

6 MR. BRISSET: Except in the three districts -
7 and I apologise for using the word "district" with
8 respect to the harbour of Montreal - in that zone and in
9 the Cornwall and Kingston district. As there was no
10 association prior to the formation of the corporation the
11 monies are paid to the corporation under the powers of
12 attorney filed by the pilots.

13 THE CHAIRMAN: So I think this is well-
14 established now.

15 MR. LALONDE: Q. You also stated this
16 morning, Mr. Colley, that these powers of attorney were
17 no more necessary?

18 A. This is what I understood, yes.

19 Q. Did you read the evidence before this
20 Commission which was given by pilots in that respect?

21 A. No, I have not - not completely anyway.

22 Q. Have you noticed that powers of
23 attorney have been filed with this Commission?

24 A. No.

25 Q. From all groups?

26 A. No, I am not aware of that.

27 MR. BRISSET: From all groups where no
28 association exists.

29 THE CHAIRMAN: Yes, in Quebec it is
30 different. In Quebec they are no longer necessary in



1 (English)

2 view of the decision of the association, the vote passed
3 by the necessary majority giving all the powers to the
4 corporation.

5 In other words, the association is giving
6 the power of attorney to the corporation and this is
7 going to last as long as the association is going to
8 last. So when the time stipulated in the contract stops
9 or is expired, then it is going to be a problem - the
10 power of attorney.

11 MR. LALONDE: By then all pilots will have
12 seen the light and joined the corporation.

13 MR. JACQUES: And the Commission will have
14 made its report public by then, I hope.

15 MR. LALONDE: Q. You were also asked in
16 connection with the Quebec district a question as to the
17 abolition of the special pilot system and the establish-
18 ment of the corporations pretty well at the same time;
19 you were asked whether it was not rather significant that
20 the two events occurred approximately at the same time.
21 Your answer to this was, I think, yes or something to
22 that effect?

23 A. Possibly, yes.

24 Q. Have you been aware that petitions to
25 the Shipping Federation and to the Department have been
26 filed regularly by the pilots for the abolition of this
27 system since 1945?

28 A. In the Quebec district?

29 Q. Yes, sir.

30 A. No, I am not.



1 (English)

2 Q. Have you ever checked in your files as
3 to whether there were such petitions made by the pilots?

4 A. I have never had occasion to.

5 Q. When you write at the top of page 26
6 that the result of the creation of the Federation was
7 that major policy decisions are now in the hands of a
8 single, impersonal, legal entity which is in a position
9 to enforce such decisions on the corporations, before
10 writing this had you examined the by-laws of the
11 Federation of Pilots?

12 A. No, I do not think we had the actual
13 by-laws of the corporations.

14 Q. You also stated that in 1960 there had
15 been increases in the spring and further requests were
16 made in August 1960?

17 A. Yes.

18 Q. Do you remember what increases there
19 were in the spring of 1960?

20 A. In any of the districts or in general?

21 Q. In any of the districts I do not
22 know what you mean by "in general" - increases in
23 tariffs?

24 A. Yes. Well, I will have to do a little
25 checking.

26 In the St. Lawrence-Kingston district there
27 was a 3 per cent increase in tariff. There was also a
28 change. In Quebec I am not sure of the exact month of
29 1960 when the changes went into effect on A pilots and
30 tonnage overcharge. I cannot tell that from any



1 (English)

2 reference here.

3 In the Montreal district, of course, we had
4 the winter navigation.

5 Q. That is in the spring? What do you
6 call "winter navigation"? Is that a special fee for
7 winter navigation or not?

8 A. Yes, the second pilot business.

9 Q. I submit to you that it was after
10 October, 1960 that this occurred?

11 A. After October, 1960?

12 Q. Well, in October - or at the earliest
13 in October, 1960?

14 A. I have got only a summary here of
15 changes. I would have to look back to the tariffs to
16 explain what they are, but there was some type of a
17 change in the winter of 1959 according to the records
18 here.

19 Q. May we jump to page 51 of your brief?

20 There is a statement that pilots in the Montreal district
21 requested a surcharge in tariff which would apply between
22 November 1st and April 30th?

23

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1 English

2 However, looking at Appendix 41, page
3 116, that is the letter by Mr. Gerin-Lajoie to Mr.
4 Alan Cumyn, isn't it a fact that the pilots were willing
5 to have this tariff apply only from Decembr 1st to
6 April 15th?

7 A. Is that what the letter says?

8 Q. It is at page 116, Appendix 41, at the
9 bottom of the page?

10 MR. BRISSET: Would you read the
11 paragraph, starting from the word "however"??

12 THE WITNESS: "However, in order to
13 show a spirit of cooperation and compromise, and in
14 order to reach an early settlement of this question,
15 my clients would be agreeable to a decision on the
16 following basis: (1) winter tariff provisions shall
17 apply from December 1, to April 15 . . ."

18 MR. LALONDE:

19 Q. Assuming that the first statement on
20 page 51 is correct -- I don't know -- at any rate
21 you would have seen a new offer or proposal made by
22 the pilots at the time?

23 A. We would have been aware of it, yes;
24 I would assume so.

25 Q. Will you tell me whether, between 1959
26 and 1960 - or up to now -- you have, in your records,
27 any instances where the Shipping Federation came up
28 with a compromise solution about the tariff demands
29 or anything of that sort?

30 A. Yes.

Q. When was that?



English

A. Well, the famous case of the Seaway tariff in 1959.

Q. This is the one you referred to this morning -- and I am thinking of the one which produced a reduction in tariffs compared to the previous year?

A. Yes.

Q. Was there any other after 1959?

A. Now, we have the records here. I believe so; but to specifically pick it out, I don't know.

Q. If you refer to the famous tariff negotiations in 1959, I think you have everything in the record and Appendix 14 in Volume 2. Is that what you were referring to?

A. These are the Minutes of the meeting in connection with the final stage of negotiations, yes.

Q. Then, you referred to the figures concerning Montreal Harbour Pilots yesterday, about earnings in 1959 -- gross earnings. Are you aware that in that year the pilots paid themselves the training of their apprentices?

A. No.

Q. Out of their revenues?

A. No, I am not aware of that.

I don't recall hearing any discussion about the Montreal Harbour Pilots.

Q. Now let us go to page 56 . . .

MR. BRISSET: My lord, may I interrupt and ask for the information as to how much it cost



1 English

2 the pilots to train four pilots in 1959?

3 MR. LALONDE: I will try and get
4 this information.

5 But that would appear in the balance
6 sheet which has been produce, I am sure.

7 MR. BRISSET: Thank you.

8 MR. LALONDE:

9 Q. Your section, which begins on page 56,
10 starts with the statement that this was the period
11 when the Federation of St. Lawrence River Pilots took
12 over and led all the corporations around?

13 I am referring to the top of the page
14 with the capital letters.

15 Asked by my colleague, Mr. Brisset,
16 about this, you stated that as evidence of this you
17 had negotiations in October 1960, and then, following,
18 negotiations, I think, in January 1961; is that correct?

19 A. I believe so, yes.

20 Q. Was that the only evidence you had
21 to rely upon as evidence that the Federation of St.
22 Lawrence River Pilots from that date on took over?

23 A. No. I would say it was apparent to us
24 that the officers of the Federation were similar to
25 the officers of the various Corporations; and in some
26 cases we were addressed, I believe, by an officer of
27 a Corporation in the name of this Federation, and in
28 other cases in the name of a Corporation.

29 Q. And what instances do you have in
30 this respect?



1 English

2 A. We have representatives
3 which are in the evidence here.

4 Q. Yes. Well, don't you realize that
5 these briefs were filed by people in their official
6 capacity, either as an officer of the Corporation or
7 an officer of the Federation, or as counsel for the
8 Corporation or counsel for the Federation?

9 A. I would certainly hope so.

10 Q. You would hope so?

11 A. Yes.

12 Q. Have you not checked before making
13 this statement at page 56?

14 A. Well, I don't see what the question is;
15 sometimes it is the Federation and sometimes it is
16 the Corporation.

17 Q. Then, if that is correct isn't it
18 wrong to assert that from 1960 on the Federation of
19 St. Lawrence River Pilots took over tariff negotiations
20 on behalf of the Corporations? That is my question.

21 A. Well, so far as we were aware this
22 was the case.

23 Q. I am asking you what evidence you had
24 of that?

25 A. Well, you have mentioned that they
26 filed these briefs, and in due course the briefs were
27 discussed, and we assumed that we were discussing
28 them with the same people who had sent the briefs to
29 us in the name of the Federation of St. Lawrence
30 River Pilots, and that in fact the people we were



1 English
2 negotiating with represented the Federation of St.
3 Lawrence River Pilots.

4 Q. Then, what briefs are you referring to?
5 You have one brief in 1960?

6 A. I am not sure whether we have one or two.
7 It is in here.

8 Is it important whether it is one or
9 two?

10 Q. I submit to you that there is one; and
11 that at any rate the Federation was called upon to
12 carry on the negotiations at the time. It is not
13 challenged--that one -- that they were carrying on
14 the negotiations on behalf of all Corporations in 1960,
15 in view of the fact that the Corporations could not
16 get satisfaction on a number of problems which appear
17 in that brief.

18 That is one case; isn't that correct?

19 A. Yes.

20 Q. And you agree on that. Your other
21 evidence is the meeting which took place in 1961 and
22 which you didn't care to attend?

23 A. Yes.

24 Q. That is the meeting of January 3rd,
25 1961, which appears as Appendix 61; and by reading
26 these Minutes you came to the conclusion that the
27 Federation had taken over the negotiations for the
28 Corporation?

29 A. Appendix 61 is in your brief.

30 Q. No; I am referring to the other one.



1 English

2 As I said, I admit to the brief prepared by the
3 Federation for all Corporations in 1960.

4 A. Yes.

5 Q. Then, your second evidence which you
6 mentioned before in support of the view that the
7 Federation had taken over negotiations of pilots was
8 this meeting on January 3rd, 1961, which you did not
9 attend?

10 A. Yes.

11 Q. Does it not strike you that in all
12 of the people mentioned there, in addition to the
13 officers of the Federation you had a fair number of
14 officials of the Corporations concerned?

15 A. Yes.

16 Q. And does it not come to your mind that
17 all of these people mentioned as present might have
18 been present in the same way as they were present at
19 the 1962 negotiations, when they were present at
20 certain periods of the meeting when their own Corpora-
21 tions were discussed, and then walked out and other
22 groups walked in representing another group?

23 A. I am sure it is possible, yes.

24 THE CHAIRMAN: This, of course, is not
25 in evidence.

26 MR. LALONDE: It is not in the evidence;
27 but I wanted to say that it is certainly not necessary
28 to conclude by reading Appendix 61 that the Federation
29 had taken over, in view of the fact that there were
30 a good number of people there who were not members of



1 English
2 the Federation.

3 THE CHAIRMAN: My point was to make
4 sure that this was not in the evidence and it is possible
5 you may have to prove it.

6 MR. LALONDE:

7 Q. Do you remember that in the negotiations
8 in 1961 the practice to which I referred was, in fact,
9 followed?

10 A. In 1961?

11 Q. Excuse me; 1962?

12 A. In 1962? Oh, yes. Well, there
13 was a change in 1962.

14 Q. Well, how can you say there was a change
15 when you weren't there in 1961?

16 A. There was a change from 1960, certainly.

17 Q. What happened at the meeting in 1960?

18 A. In 1960, there was no -- what shall
19 I say -- there was no illusion that the Federation were
20 not, in fact, negotiating, because this was the way
21 the brief was presented, and this is the way the people
22 addressed the meeting.

23 Q. You are referring to a brief submitted
24 in the course of the year, some time in June?

25 A. Yes.

26 Q. But there were no meetings, and you are
27 not referring to any winter meetings of the Inter-
28 departmental Committee?

29 A. Yes.

30 Q. Were there Interdepartmental Committee



1 English

2 meetings in 1960?

3 A. Yes.

4 Q. Early in 1960?

5 A. Yes.

6 Q. Is that reproduced in the Minutes here?

7 A. In 1960? They will be here.

8 Q. Which Appendix would that be?

9 I don't think it is filed. I don't
10 remember ever having seen that.

11 I refer you to the brief itself, the
12 first paragraph, which states:

13 "In January 1960, the Shipping
14 Federation was advised by the Department
15 of meetings to be convened with the
16 Interdepartmental Committee and the
17 various pilotage groups and shipping
18 interests during January and February. . ."

19 A. Yes.

20 Q. Then, later on:

21 "Meetings took place in early
22 1960 whereat on behalf of each District
23 proposed changes in tariffs and working
24 conditions were outlined, all designed
25 to produce greater revenue. . ."

26 A. Yes.

27 Q. Would not that indicate that at least at
28 meetings early in January 1960 the negotiations took
29 place on behalf of each Corporation?

30 A. You mean each group was autonomous



1 English

2 and represented itself only?

3 Q. Yes.

4 A. No, I don't think so. I think it very
5 clearly was under the auspices of the Federation.

6 Naturally, the individual groups would
7 have to talk about their individual problems, but they
8 still had the umbrella of the Federation over them.

9 Q. What evidence do you have for that?

10 A. The line of communication, as I see it,
11 was that, No. 1, we received from the Federation briefs
12 making certain requests, demands or suggestions, and in
13 due course the Department of Transport called a meeting
14 to discuss these specific demands and suggestions; and
15 at the meeting there were present officials of the
16 Federation of St. Lawrence River Pilots as well as
17 others. Now, this may not be a logical conclusion,
18 but that is what we concluded.

19 Q. Don't you remember having received
20 representations from each Corporation at the time?

21 THE CHAIRMAN: Written or verbal?

22 MR. LALONDE:

23 Q. In 1960 -- written?

24 THE CHAIRMAN: Separate documents?

25 THE WITNESS: Apart from the brief of
26 the Federation?

27 MR. LALONDE:

28 Q. Previous to the brief of the Federation?

29 MR. BRISSET: Appendix 50 -- 46 and

30 50.



1 English

2 THE WITNESS: Yes.

3 MR. LALONDE:

4 Q. In fact, you have Appendix 46 and you
5 have Appendix 50?

6 MR. BRISSET: 52.

7 MR. LALONDE: Appendix 52 is the letter
8 by the Minister. Appendix 50 is the memorandum dated
9 June 7, 1960, which brings together a various number
10 of problems concerning various districts; and there
11 was one problem about this -- and we agreed -- that
12 the Corporations had decided that they were not getting
13 anywhere; and Appendix 46 of the brief submitted
14 by the Federation to the Minister of Transport deals
15 only with a problem for all districts, and that is
16 winter navigation.

17 Q. My question is: Don't you remember that
18 a meeting took place where tariff problems for each
19 district were discussed, at a time apart from this
20 brief about winter navigation?

21 A. Yes; in addition to that, certainly.

22 THE CHAIRMAN: Before we adjourn I
23 should say that I think Exhibit 949 is the same as the
24 one which was received before as Exhibit 926. That
25 is the Minutes of the meeting of the Shipping Federation
26 at which the brief was discussed. I think the number
27 allotted to it was 926, therefore 949 would be
28 cancelled.

29 MR. LANGLOIS: Whilst we are on the
30 subject of Minutes, I would like to know if my learned



1 English

2 friend, Mr. Brisset, is going to file the Minutes of
3 the meeting of the Shipping Federation having to do
4 with the 1962 stoppage of work?

5 MR. BRISSET: I have these Minutes
6 here. I would like to show them to my learned friend
7 so that he may decide which ones he wants and which
8 ones he does not want.

9 THE CHAIRMAN: We will now adjourn until
10 two-thirty this afternoon.

11

12 ---Luncheon adjournment.

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1 English --- On resuming at a.30 p.m.

2 MR. LALONDE: Q. Mr. Colley, did you
3 check whether the Shipping Federation had received
4 from the Pilots Association any information about
5 individual earnings in 1951 from the Montreal Pilots
6 on the occasion of the change in tariff?

7 A. What was that again?

8 Q. Mr. Colley, did you check whether the
9 Shipping Federation had received from the Pilots
10 Association any information about individual earnings
11 in 1961 from the Montreal Pilots on the occasion of
12 the change in tariff?

13 A. Yes, to give you a full answer on
14 this, I think we should leave it to Captain Matheson.

15 Q. If you checked, what did you find?

16 A. Well, all I have found is that he has
17 an explanation but I am not fully conversant with what
18 the explanation is.

19 Q. There is this repeated statement in your
20 brief that the corporations or the Pilots Organizations
21 are controlled by a few individuals. At the same time
22 I notice in your testimony one of your objections to
23 the present system is that large delegations of Pilots
24 would be dropping in on Ottawa occasionally at various
25 times to make representations. You would criss-cross
26 each other in the corridors or something of that sort.
27 How do you fit this with your statement that only a few
28 men are controlling all that, all the Pilots Organizations?

29 A. I think that one could be a description
30 in general terms reflecting the fact that in volume,



1 English
2 that is in volumes of meetings, the volume was large
3 rather than the composition of the individual delegations
4 were necessarily large.

5 Q. I looked at Appendix 59 of your brief,
6 a telegram from yourself to Mr. Baldwin, December 29th
7 1960 in which in essence you state that you will not
8 meet with the pilots until you get a decision in favour
9 of your target system idea?

10 A. Yes.

11 Q. Would you assimilate this to a kind of
12 ultimatum?

13 A. No, I wouldn't if -- I wouldn't, no.

14 Q. Would this be what you mean by the
15 open door policy of the Shipping Federation towards
16 the pilots?

17 A. I don't quite see the relationship.

18 Q. Now, you made a statement to the effect
19 that -- or I think it is in your brief -- that never
20 has there been any discussion about earnings, is that
21 correct, with the pilots?

22 A. Yes, basically. Yes.

23 Q. Is it not a fact that through these
24 years every year you had in your hands information
25 or statistics concerning the pilots average gross
26 earnings of all the pilots?

27 A. Yes.

28 Q. In each district?

29 A. Right.

30 Q. And that the Department had this in-



1 English

2 formation?

3 A. Yes.

4 Q. And that the pilots also were provided
5 generally with that information after 1959?

6 A. I believe so, yes.

7 Q. Is it not a fact that during the
8 discussions reference was made to those statistics every
9 so often?

10 A. Yes.

11 Q. Did you look at the minutes which appear
12 in your own volume 2 here, and which you have tabled
13 and the other exhibits which you tabled before, is it
14 not a fact that there is a rather frequent reference
15 to demands of the pilots and through implication with
16 regard to the earnings, on the earnings of the pilots?

17 A. On our part, of course. Certainly.

18 Q. Also on the part of the Department?

19 A. Yes, and particularly in the latter
20 meetings, that is quite true.

21 Q. In the correspondence which appears
22 here in volume 2 you also have letters where it is
23 considered indeed?

24 A. Yes.

25 Q. And didn't you have meetings where it
26 was also mentioned by the pilots themselves that
27 their earnings in the previous years were this and
28 that, at least they were not those put out by the
29 Department?
30



1 English

2 A A. I am sorry, I have lost track of that
3 question.

4 Q. Is it not a fact that the pilots also
5 argued about the figures and the earnings put out by
6 the Department?

7 A. Yes, on the statistics in general, yes.

8 Q. Is it not a fact that when a tariff
9 change was decided upon, all parties -- and since
10 the decision came from the Department itself, the
11 Department has pretty well an eye on what this would
12 bring in?

13 A. No.

14 Q. Then I refer you as an example, to
15 the settlement with the Minister, which you have
16 produced yourself as an exhibit, part of volume 2
17 in your brief, which is Appendix 76, I refer you to
18 an item concerning the Montreal Harbour, Montreal
19 District, on page 227 and is it not put in good English
20 that the tariff was set up with a view to bringing in
21 so much revenue approximately at the end of the year
22 or so much additional revenue?

23 A. I must be looking at the wrong page.
24 Did you say Appendix 76, page 227.

25 THE CHAIRMAN: The first paragraph.

26 MR. LALONDE: Yes. Paragraph number
27 one and paragraph number two. The first two
28 paragraphs at the top of the page?

29 A. "The Tariff of Pilotage dues will
30 be amended so as to increase the net income of



1 English shots

2 the pilots by \$985 by adding to the existing scales
3 two items --" yes, yes. I see what you mean, yes.

4 Q. The following paragraph is just the
5 same?

6 A. Yes. This is in 1962, after the
7 termination of the strike?

8 Q. Certainly.

9 A. What was the final result of this
10 objective?

11 Q. I am not in the box, sir. You are
12 the witness here. My question to you, which you have
13 to answer is: Is it not a fact that the question
14 of earnings at the end were discussed, not only at the
15 end, but all the time when tariff negotiations took
16 place that the Department as well as the Shipowners
17 had an eye on what they would bring in as revenue,
18 approximately?

19 A. They might have had an eye on what
20 was to be the objective and this is particularly, I
21 think, after our discussions in the meetings of 1960
22 and so on and I think you will also find in our
23 appendix here an exchange of correspondence in which
24 we gained the impression from the Department of Transport
25 that they were aiming for a certain objective and
26 when we expressed our great pleasure at this, we
27 promptly got a reply saying "No, this is not the idea
28 at all, although we hope the tariff will produce this,
29 we don't guarantee it will."

30 Q. Certainly, quite right and is it not



English

a fact that

a fact that much before 1960 you negotiated with the Cornwall Kingston pilots when you came up with your \$10,600 idea; this idea was discussed, this amount was discussed at the meeting of the Pilotage Committee in the sense that assuming that there would be the same direct rate as the rate before; the new tariff should bring approximately the same income for the coming years?

A. This was certainly discussed. Of course, had it been carried out, I doubt if we would be going through these proceedings today.

Q. So is it not a fact that earnings were discussed and considered except that your pet project of a target income was not taken in as such; but that apart from this, every year when you negotiated tariff consideration of earnings was taken into account, except that it was not the only factor considered?

A. I would agree earnings certainly were mentioned in the light of what this evidence is.

Q. Your point of view was that the pilots should not have anything to do with the other points the other aspects of it, while the pilots felt they should be entitled to discuss tariff also, not only earnings.

A. I don't know what you mean by other aspects of it.

Q. The cost of pilotage. If you refer to a telegram which was sent to you, after your refusal to attend in 1961, which you have reproduced as Appendix 60, page 177, it is stated "Department officials



1 English

2 met with pilots on January 3rd discussed income and
3 working conditions in Kingston, Montreal Harbour,
4 Montreal River and Quebec Districts;" which would tend
5 to support, contrary to what you stated, that the
6 question of earnings was discussed and considered.

7 THE CHAIRMAN: When you say "you stated"
8 do you refer to the witness's testimony or from the
9 brief?

10 MR. LALONDE: His previous testimony.
11 I have a note here to the effect --

12 THE CHAIRMAN: That is all right. I just
13 wanted to make sure.

14 MR. LALONDE: He said "There was never
15 any discussion took place concerning earnings of
16 pilots. The corporations steadily refused to discuss
17 this."

18 MR. BRISSET: What was the question?

19 MR. LALONDE: Q. Would this not tend
20 to support the view, contrary to his view, that these
21 matters were discussed?

22 A. This telegram?

23 Q. Yes.

24 A. No, I don't agree at all. You are
25 placing a completely erroneous interpretation on
26 the statements that we have made repeatedly that the
27 corporations would not discuss the question of pilots
28 income with us. Certainly at the meeting we raised
29 the point. Other people raised the point. Statistics
30 were discussed but when it came down to basic



1 English

2 considerations the only matter that could be discussed
3 was "Should we have an increase in detention?"

4 "Was winter navigation to be applied or not." Never,
5 never, could we get down one party beside another to
6 say "What is this? Can we agree on what our objective
7 is?" Never.

8 Q. Do you think it is important to know
9 whether there should be a charge for winter tariff or
10 winter navigation or not?

11 A. Only in relationship to what it will
12 bring in in the way of income.

13 Q. And detention?

14 A. The same.

15 Q. The same thing?

16 A. Yes.

17 Q. How do you proceed when you charge
18 your rate with somebody who wants to employ you or
19 comes to see you as an agent? Are you discussing
20 about how much profit you will have at the end?

21 A. In many respects, yes.

22 Q. Do you mean to say if I am going to
23 ship goods through you next week you are going to
24 discuss how much profit you will have on the goods which
25 I am going to ship through you?

26 A. Yes, you might very well do that.

27 THE CHAIRMAN: In order to clarify this,
28 my impression is that both parties had a different
29 philosophy altogether of the role of pilots or the
30 status of pilots.



English

1 MR. LALONDE: That is the fundamental issue,
2 My Lord, yes.

3 THE CHAIRMAN: I understand that.

4 MR. LALONDE: Q. You referred to expenses,
5 the question of expenses of pilots. You say that you
6 don't know how these worked and how this was achieved
7 or arranged? Is that correct?

8 A. That is correct, if you are referring
9 to this 13 -- \$1600 allowance, that is correct, yes.

10 Q. There again, were you not aware that
11 Captain Gendron made a detailed study of all instances --

12 A. I don't know of all instances. I
13 recall him reporting on one specific investigation
14 that I think pertained to one district.

15 Q. Are you not aware that at the meeting
16 of 1951 this was one of the main questions discussed,
17 as the results of the investigation carried out by
18 Captain Gendron?

19 A. I cannot recall any. Well, of course,
20 the 1961 meetings, we were not there.

21 Q. That is the point. Once you received
22 the minutes of these meetings, did you ever call in
23 Captain Gendron to ask about an explanation of how
24 this was arrived at or anything of the sort?

25 A. No, I don't believe we did.

26

27

28

29

30



1 English

2 Q. You made a statement in volume 1 at
3 page 70 about the effect of a speech by the Minister
4 of Transport. Could it not be that the reason
5 why there was no trouble in 1961 was that in October,
6 1960 all the main points which had been left at issue
7 for some several years were settled to the general
8 satisfaction of the pilots in October, 1960?

9 A. I am afraid I would not know about
10 that.

11 Q. Did you have time to check during the
12 luncheon adjournment whether any documents was put
13 forward at any meetings between the pilots, the
14 Department and the shipowners between 1959 and 1962?

15 A. No.

16 Q. Did you check also if any meetings
17 took place with officials of the Shipping Federation
18 under the initiative of the officials of the Shipping
19 Federation between the same period -- on the initiative
20 of these people?

21 A. We have not got that.

22 Q. Did you check that?

23 A. I have checked but I am sorry I have
24 not got the answer to it as yet.

25 Q. You said at page 67 of the brief:

26 "New demands by the Federation of St.

27 Lawrence River pilots on behalf of all districts
28 in the St. Lawrence had been presented."

29 Does this refer to early 1961 or what --
30 the end of 1960 or early 1961?



1 English

2 A. Yes.

3 Q. Page 67, the paragraph which begins:

4 "In the interval, new demands....."

5 A. Yes.

6 Q. At page 68 you go on to the meeting
7 which took place on January 13th, 1961 which you did
8 not attend. I presume that this is what you are
9 referring to?

10 A. Yes. What was the appendix 57 there
11 is the reference to? Yes, this was the brief that
12 had come prior to the end of 1960.

13 MR. BRISSET: In August 1960?

14 THE WITNESS: Yes, I think it was August.

15 MR. LALONDE: Q. You are referring to
16 then to the events which were settled in October, 1960
17 to which you referred previously on pages 62, 63 and 64?

18 A. They were not settled in October.

19 Q. Are you not aware that in October of
20 1960 there were difficulties on the basis of the brief
21 presented by the Federation of Pilots in June, 1960,
22 and which were the basis of a settlement reached between
23 the Department and the pilots towards the middle of
24 October, 1960?

25 A. Oh, I see what you mean by "settlement"
26 now. The threat of a strike was withdrawn. I do
27 believe also that it is fair to say that some of the
28 items that were originally requested were not completely
29 resolved at that time. They were held over
30



1 English

2 Q. Like what?

3 There was the point of arriving to a final
4 settlement on the movages in the harbour of Montreal?

5 A. Yes.

6 Q. And the pilots agreed, as appears in
7 your brief, to postpone the final negotiations during
8 the winter time?

9 A. Yes, right.

10 Q. But then all the other points were
11 settled at that time?

12 A. Yes.

13 Q. On page 67, when you say: "In
14 the interval, new demands by the Federation of St.
15 Lawrence River pilots on behalf of all districts in
16 the St. Lawrence had been presented", do you infer
17 that demands by the Federation of Pilots were put to
18 you subsequent to October, 1960 at the end of the year?

19 A. Just a minute.

20 Q. I put it very simply. Is it not a
21 fact that all the demands which were made or requests
22 which were made at the end of the year 1960 or early
23 1961 were made separately for each corporation and
24 not by the Federation? That is the only point I
25 wanted to make.

26 MR. BRISSET: Appendix 52 might assist
27 you, Mr. Colley.

28 THE WITNESS: That is in reply to the
29 Federation's letter.

30



1 English

2 MR. LALONDE: Q. In effect the requests
3 which were examined in appendix 61 as in the minutes
4 of the meeting of January 3rd 1961 -- which by the
5 way would appear to be January 3rd rather than January
6 13th as appears in your brief, volume 1?

7 A. Yes.

8 Q. Page 68.

9 A. I am sorry. What is your question?
10 What have you led up to here?

11 Q. Let me put it to you in the way of
12 the statement, which is that at the end of 1960 and
13 the beginning of 1961 the requests made by the pilots
14 were made by individual pilots' corporations and not
15 by the Federation?

16 A. Insofar as the meeting that you had
17 with the Department which we did not attend is
18 concerned, it is a little bit difficult to describe
19 under what auspices it was. I am sorry, I do not
20 understand why it is that you apparently want to
21 make out that the Federation was not interested or
22 was separated. If I could understand that I might
23 be able to assist.

24 Q. What I want to point out is to clarify
25 and make even more clear if possible that the statement
26 you made that the Federation took over negotiations
27 at the end of 1960 was certainly not true as a rule
28 and that in that particular instance this was not the
29 case.

30 A. That certainly is not my feeling, Mr.





1 English

2 Lalonde. Particularly when we got into the 1962
3 negotiations. It was continually ---

4 Q. That is, April, 1962?

5 A. Yes, leading up to the strike --

6 "Mr. Lalonde -- Mr. Bedard -- Mr Lalonde -- Mr. Bedard."

7 Q., Yes, certainly, and is it not possible
8 that the instances where this occurred were the
9 instances where the corporations felt they could not
10 get anywhere on their own?

11 A. Well, I do not really know but the
12 pattern has gone throughout and I think the statement
13 we made in our brief is a fair one. I cannot for the
14 life of me understand why there should be any desire
15 to dispute it.

16 Q. Because it is wrong?

17 A. If it is wrong it might be a question
18 of degree of inference or something. I would like
19 to assist but I really do not know what you are
20 trying to get at.

21 Q. At page 70 you refer to the "well
22 guarded secret of what had been the individual gross
23 earnings of pilots in each district."

24 Do you mean this seriously?

25 A. Yes. Where are we here on page 70?

26 Q. The first line, Mr. Colley.

27 A. Well now, I have to search my memory
28 here. Was this not reflected in the newspaper
29 articles that reported this particular speech?

30 Q. This is not my question once again,



1 English

2 Mr. Colley. I am asking you whether you meant this
3 seriously when you referred to a "well-guarded secret"?

4 A. In other words you want to know on what
5 basis this was written; what was the foundation for it?

6 Q. I do not know how I can put it otherwise
7 than I put it. It is good English.

8 A. Well, all right. Did we actually
9 believe this in other words?

10 Q. That this was a well guarded secret?

11 A. I think we had reason to believe that.

12 Q. Even after you had printed how many
13 thousand copies of this little blue pamphlet and
14 distributed them to members of Parliament, the Press,
15 the shipowners, the masters aboard ships -- that is
16 early 1960; I do not know when exactly -- and while
17 the shipowners had in their hands for years, the
18 individual earnings of all pilots in all districts?

19 A. We had it but ---

20 Q. You called this a well guarded secret?

21 A. We had it but did the pilots have it?

22 Q. But this is not what is meant here,
23 is it? You refer to the well guarded secret of
24 what had been the individual gross earnings of pilots.
25 Is that statement made there out of preoccupation with
26 the individual interests of the poor pilot?

27 A. To a certain extent yes -- to a large
28 extent.

29 Q. Well, I must say that my English must
30 be very poor. I did not understand it that way at all.



1 English

2 Now we are coming to 1962. At page 71
3 you state:

4 "The proposals submitted by the various
5 pilotage districts were fully discussed and
6 agreement reached where the principal objective
7 was not put in jeopardy."

8 Could you tell me on what points agreement
9 was reached? Do you remember?

10 A. Just a minute. I am trying to find
11 out where it is that you are reading this.

12 Q. The third line from the bottom of the
13 page.

14 A. "Fully discussed and agreement reached
15 where the principal objective was not put in jeopardy."
16 I see. Just a minute; we will have to look at this
17 66.

18 Q. If I may help you I may also state
19 that you declared in your previous evidence that
20 nothing was achieved at these meetings. So you
21 may have the choice between the two.

22 A. There is a question here of increasing
23 the number of pilots for example. This is in the
24 corporation of Mid-St. Lawrence Pilots.

25 Q. Which page?

26 A. Page 194.

27 Q. Of volume 2?

28 A. Yes.

29 Q. Yes?

30 A. I cannot tell you offhand, but this



1 English

2 is the type of thing that might very well have been
3 agreed on if it was considered.

4 Q. I submit to you, Mr. Colley, that
5 there was no such agreement at the time.

6 A. All right; I will accept that.

7 Q. And that this appears all the more
8 in Appendix 69, in the letter written by Mr. Cumyn to
9 myself, page 216 in particular, saying that they are
10 retaining an open mind on this matter. Certainly one
11 would not call that an agreement?

12 A. All right. You are telling me that
13 we did not take any objection to it at the time?

14 Q. Well, your statement in your brief at
15 page 71 says -- I am reading your own brief --
16 that agreement was reached where the principal objective
17 was not put in jeopardy. My question is simply on
18 which items was there agreement reached at that meeting?

19 A. And this is what I am trying to go
20 through for you wasting a minimum of time. I am
21 trying to find that we have something in common on
22 principles so that we can dispose of it. If you want
23 me to read this item by item and check what we agreed
24 to and what we did not agree to, I will.

25 Q. You certainly did not make this statement
26 out of thin air, did you?

27 A. No, certainly not.

28 Q. And you were not talking through your
29 hat when you stated this? Or were you correct
30 when you stated yesterday or the day before that nothing



1 English

2 was achieved at the meeting? Do you remember having
3 stated this?

4 A. If such a statement was made, that
5 nothing was achieved at the meeting, it would certainly
6 have been ⁱⁿ reference to the principal objectives that
7 the Federation had at the time, not necessarily to
8 minor matters of operational efficiency. I do not
9 think that has ever been a problem between us and I
10 do not know why you should wish to imply it.

11 Q. I will make it easier for you.
12 When you wrote this sentence about agreement being
13 reached, did you care to check at the time on what items
14 agreement was reached?

15 A. I am sure it must have been done,
16 Mr. Lalonde, yes.

17 Q. Did you write this?

18 MR. BRISSET: Perhaps the witness should
19 be given a chance to check the matters on which the
20 agreement was reached out of his records, My Lord.

21 THE CHAIRMAN: All right. If you need any
22 time for that, Mr. Colley, we will give you a few
23 minutes.

24 MR. LALONDE: I am quite willing to let the
25 witness look at this later on if he wants to.

26

27

28

29

30



1 English

2 I am quite willing, my lord, to let
3 the witness look for this later on.

4 THE WITNESS: I am sure it is something
5 I could do during the normal break.

6 MR. LALONDE:

7 Q. Is it a fair statement to say that you
8 had decided by then -- that is, by 1961-62 -- that
9 unless your target system idea would be accepted by the
10 pilots you would not agree to any change in tariffs?

11 A. Yes, that or something similar to it
12 in the principle.

13 Q. And is it a fair statement to say
14 that if you couldn't get that you would do your best
15 so that the Royal Commission on Pilotage would be set
16 up?

17 A. That was one of the things that we
18 wanted, yes.

19 Q. And in the light of the conversations
20 you had in 1959 with Mr. Baldwin and in the light of
21 the statement you made before this Commission a few
22 days ago, that in 1962 the pilots provided you with a
23 crisis -- and I quote -- which could be the case for
24 setting up a Royal Commission, isn't it fair to say
25 that you had decided in 1962 that you would not agree
26 with the pilots unless you got your target income idea
27 in effect?

28 A. We had decided that in 1951, not 1962.

29 Q. And that unless you would get that you
30 would make no attempt to avoid the stoppage of work





1 English

2 by the pilots?

3 A. That we would make no attempt to avoid
4 the stoppage of work by the pilots? I can only put
5 it this way, Mr. Lalonde, that we had come to the
6 conclusion -- and it took us a long time too, I must
7 admit, and with a certain amount of regret -- that
8 we were going through a little bit sham each time
9 we sat down to talk, because we weren't talking about
10 anything that was constructive or intelligent. In
11 actual fact I think you might say that in the negotia-
12 tions we were being asked to sign a blank cheque for
13 the pilots' Corporations; and . . .

14 Q. That is the way you felt about it?

15 A. Yes. I am trying to answer your
16 question.

17 Finally, when the full realization of
18 this dawned on us, the question was: Why continue?
19 Why perpetuate a system that means nothing? It isn't
20 going to help us one little bit to sit down and talk
21 because we can't agree on what to talk on. It is not
22 that we were taking the initiative to be obstructive --
23 I hope that the record won't show that -- but it was
24 simply that there was no point in talking because we
25 had nothing to talk about.

26 Q. I notice that during the stoppage of
27 work in 1962 there were only two meetings -- the
28 Technical Committee and the Executive Committee, I
29 think -- and that is produced as part of Exhibit 942.
30 Are these the only meetings which took place and which



1 English

2 are recorded in the Minutes?

3 MR. BRISSET: We were asked to produce
4 the Minutes, my lord.

5 They are, first of all, the Minutes of
6 the Pilotage Committee of which two have been filed.
7 I showed a third one to my learned friend, Mr. Langlois,
8 of the meeting held on April 5th, asking him if he
9 thought it was important enough to attach to the other
10 two Minutes, and he said Yes; and we are going to file
11 it. These are meetings of Pilotage Committee.

12 We have also a meeting of the members
13 of the special general meetings on April 5th and April
14 12th, which I will now file, to be attached to the same
15 exhibits.

16 MR. LALONDE: That is Exhibit 942?

17 MR. BRISSET: Exhibit 926.

18 ---Minutes of special general meetings held on
19 April 5th and April 12th, annexed to Exhibit 926.

20 MR. LALONDE:

21 Q. I notice that there is an exhibit
22 produced, Exhibit 942, which is of a meeting held in
23 the Shipping Federation's office, between the Deputy
24 Minister and representatives of the Shipping Federation
25 on April 12th, 1962. This would be an additional
26 meeting to the ones already mentioned.

27 THE CHAIRMAN: This was during the
28 strike.

29 MR. BRISSET: There is one other, I
30 must say, which should be added, that of April 12th.



1 English

2 There were actually two meetings of the Pilotage
3 Committee, one at 10.00 a.m. and the other at 12.00
4 p.m.; so that will complete the list.

5 THE CHAIRMAN: That was before and
6 after the meeting with Mr. Baldwin?

7 MR. BRISSET: The 12.00 p.m. meeting
8 was the meeting with Mr. Baldwin.

9 THE CHAIRMAN: This has already been
10 filed as Exhibit 942.

11 MR. BRISSET: I must say we will have
12 to get these in order. They have just come to me now.

13 MR. LALONDE: That is all right. If
14 my friend confirms that he will produce all the Minutes
15 concerning the the strike or stoppage of work in 1962. . .

16 THE CHAIRMAN: Exhibit 942 is the
17 Minutes of the meeting held in the Shipping Federation's
18 office, which Mr. Baldwin attended, and also Mr. Fisher
19 was there?

20 MR. BRISSET: Yes, Mr. Fisher was there.

21 MR. LALONDE: My friend may look for
22 that at the adjournment.

23 MR. BRISSET: It will be found at the
24 adjournment and put in reasonable order.

25 THE CHAIRMAN: - I will give you more
26 than ten minutes.

27 MR. BRISSET: Thank you.

28 MR. LALONDE:

29 Q. By the way, with reference to that
30 meeting at which Mr. Fisher was present, did he fly



1 English

2 in the plane to which Mr. Brisset referred the other
3 day?

4 A. I am afraid I can't really give you
5 the answer to that.

6 Q. Did he arrive with Mr. Baldwin, at the
7 same time?

8 A. To the best of my recollection they
9 were not together; but I really don't have any idea;
10 I had other things on my mind that day.

11 Q. And I understand that he left the
12 office at the same time as Mr. Baldwin?

13 A. He left the meeting at the same time
14 because at that stage the general meeting was taking
15 place and it wouldn't have been proper for anyone
16 else to be present.

17 Q. And had you invited Mr. Fisher to
18 attend the meeting at that time?

19 A. I am sure we must have done or he
20 wouldn't have been there.

21 Q. And had you been in touch with Mr.
22 Fisher previously at the beginning of the first few
23 days of the stoppage of work, or before the stoppage
24 of work?

25 A. Well, Mr. Lalonde, let us make it quite
26 clear that in respect of these pilots' meetings we
27 would have been in touch with Mr. Fisher at any and
28 all times in so far as it was a mutual interest, and
29 certainly there was no restriction on that from our
30 point of view; and I would say at that particular time



1 English
2 probably more than ever.

3 Q. Is there any particular reason why Mr.
4 Fisher and nobody from the Dominion Marine Association
5 would attend the meeting with the Deputy Minister?

6 A. There must have been a reason. I would
7 think, offhand, that they were invited to attend, and
8 I can only think that there must have been some reason
9 why they were not able to.

10 Q. You have produced as Appendix 69 of
11 Volume 2 a copy of a letter from Mr. Cumyn to myself.
12 Can you tell me how you got a copy of this letter?

13 MR. BRISSET: That is March 14th, 1962.

14 MR. LALONDE:

15 Q. While my friend is looking for this --
16 this is a question I would like, if you don't have
17 the answer now, you to check at the adjournment also.
18 You have stated that after the meeting of the Minister
19 and the Pilots, on April 12th, no more telegrams were
20 sent to ships. Is that what you stated?

21 A. Yes, that is right. At least, I
22 didn't necessarily say there were no more, but it is
23 my understanding that there were no more sent. I
24 never heard of any more being sent.

25 Q. Did you make any check in this respect?

26 A. No, I can't say, in particular. Cer-
27 tainly so far as our own ships were concerned, yes.

28 Q. Did you check further on the 13th
29 the telegrams? Did you have any ships arriving on
30 the 13th at Les Escoumins?





1 English

2 A. I couldn't tell you offhand.

3 Q. Therefore, the statement you made is
4 to the effect that you didn't hear of telegrams being
5 sent after that?

6 A. That is right.

7 Q. And it is a fact, isn't it, that the
8 stoppage of work was settled the next afternoon?

9 A. Yes, that is correct.

10 Q. You have also referred to a document,
11 reproduced as Appendix 72, which is a telegram from
12 Mr. Balcer to myself, and you said that the statement
13 about the proposal of the Department to take off a
14 certain part of the Quebec Pilots' earnings for adminis-
15 tration purposes should have been considered satis-
16 factory as a face-saving device for the Department,
17 and that, in fact, it amounted to the withdrawal of
18 the proposal?

19 A. Yes.

20 Q. Is that what you stated?

21 A. Yes, something like that.

22 Q. Have you had any experience yourself
23 in the past with statements or letters by the Department
24 which are not too clear as to what they meant?

25 A. That has happened, yes.

26 Q. And has it not been your experience
27 that you were sorry to find out later on that what was
28 meant was not what it was supposed to mean?

29 A. That has occurred, yes.

30 Q. And will you consider, because of that,



1 English

2 it is better to have a pretty clear-cut statement as
3 to what it exactly is?

4 A. We would certainly agree that it is
5 desirable always to have a clear-cut statement, but
6 I hardly think that it is justification for a strike.

7 Q. In your previous testimony you referred
8 to the fact that you wouldn't have been informed of the
9 situation with regard to Quebec and Saint John --
10 and I refer here to the proposal by the Department to
11 use the earnings of the pilots for administration
12 purposes -- but, on the other hand, is it not strange
13 that your correspondence -- previous correspondence --
14 with the Department -- I refer, in particular, to the
15 letter of March 1st, 1962, and other documents I
16 have not at hand at the present time -- but a letter
17 by you to Mr. Balcer about the spiralling cost of
18 pilotage in Saint John, New Brunswick, and Quebec?

19 A. Yes.

20 Q. Do you remember having sent such a
21 letter, which is Appendix 67, page 208?

22 A. Yes. Well, I will accept that.

23 Q. So you sent a letter like that in
24 March, 1962, and you never inquired whether the Depart-
25 ment was going to do anything about this situation, or
26 whether the Department had in mind some plan in that
27 regard?

28 A. We were hoping to hear something from
29 the Department, I am sure.

30 Q. The question is: Did you inquire in



1 that respect?

2 A. Well . . .

3 Q. These are the two districts you referred
4 to specifically -- Saint John and Quebec?

5 THE CHAIRMAN: I think the witness
6 didn't finish what he wanted to say.

7 THE WITNESS: The question was did
8 we not inquire. Well, I think the record shows that
9 at that particular period we were in terrific consul-
10 tations and letter-writing and everything else with
11 the Department.

12 MR. LALONDE:

13 Q. Do you mean to say that, while the
14 pressure was brought upon the Department concerning
15 two specific districts, in particular, Saint John and
16 Quebec . . .

17 A. Well, obviously . . .

18 Q. Let me finish. I haven't finished
19 my question -- . . . and on the other hand, the
20 Department was considering action with respect to
21 two specific districts also, there never would have
22 been an exchange of words between the two groups as
23 to what the Department had in mind?

24 A. Well, in this case that happens to be
25 the exact situation.

26

27 -

28

29 -

30



1 I might add that if the Corporations
2 had only advised us at the time they would have found,
3 I think, that here was a point that we could have both
4 agreed on.

5 Q. Mr. Fisher, of the Canadian Shipowners'
6 Association has not raised this point with you at all?

7 A. No.

8 Q. You have heard of that in Ottawa?

9 A. No.

10 Q. You say there would have been an agree-
11 ment on this because what you are interested in is the
12 lowering of your cost of pilotage not getting money
13 into the government treasury?

14 A. That is right.

15 Q. I refer you on the other hand to a
16 statement made by your General Manager, Mr. Mearns,
17 in a letter to Mr. Baldwin on March 9th, 1962, which
18 appears as Appendix 68 of Volume 2, where just before
19 the paragraph concerning the Three Rivers Port Station
20 you state:

21 "However, under the present arrange-
22 ment, a higher level of earnings for the
23 pilots would result from any increase
24 in the detention and cancellation
25 charges, which, of course, cannot be
26 justified and, as a means of controlling
27 the situation, it is suggested that all
28 detentions and cancellations should be
29 paid into the Treasury rather than to
30 the pilots."



1 English

2 My question is that, is there not
3 a certain similarity between the policy adopted by
4 the Department and this one proposed, and secondly, is
5 this not quite different from the statement you made
6 to the effect that you certainly would have objected
7 in principle to the Government getting anything of
8 the Pilotage Dues?

9 A. No, not by a long shot. I think, Mr.
10 Lalonde, you were at the meeting when this topic came
11 up and this letter is a result of it. At that time
12 we pointed out to the pilots -- to the Corporations,
13 rather, that the increase requested in the detention
14 would only have the effect of increasing annual take-
15 home pay of the pilots, and this was not justified at
16 the time. We were then told by the Corporations:
17 "Oh, no, no. We are not concerned about the revenue
18 producing of this thing at all. It is just simply
19 that there are too many detentions. There should be
20 a penalty. There should be a greater deterrent."

21 Q. Yes?

22 A. "To this", so we said "if you are
23 really sincere in this that that would approve it by
24 making this a penalty by putting it into the Treasury".
25 Under these circumstances we would not have objected
26 to the increase.

27 Q. That is what you did suggest indeed in
28 the letter of March 9th, 1962?

29 A. Yes.

30 Q. Which in effect meant you were willing



1 English
2 to pay more as far as pilotage costs are concerned
3 provided it would not go into the pockets of the
4 pilots?

5 A. We were willing to pay more; ^{if} it was
6 a question of principle on a case such as this that,
7 in fact, the agents were being, let us say, a little
8 bit sloppy in the ordering of pilots and the net
9 result of this was to the disadvantage of the pilots.

10 In other words, a pilot was being
11 penalized by, I call it, sloppy or inaccurate order-
12 ing of pilots. We all agreed at this meeting this
13 should stop and there should be a penalty and the
14 agent should not have the opportunity of not thinking
15 and then causing somebody else's upset.

16 If this was the case, all right. We
17 agreed "Let us take effective action and put in what-
18 ever fine will stop it".

19 Q. You were willing to pay this provided
20 it would not go to the pilots?

21 A. We were willing to pay this fine into
22 the Treasury as an indication that in fact it was for
23 that purpose.

24 Q. Obviously in these cases of sloppiness,
25 however, it would not have been the Treasury which
26 would have been disturbed by being called to a ship?

27 A. No, that is true.

28 Q. I want to refer to your statistics
29 about the increases following the settlement in 1962.
30 In your letter reproduced as Appendix 77, May 23, 1962,



1 English

2 page 228, Volume 2, is there any particular reason
3 why you select these particular categories of ships
4 in the case of the Montreal River? You have four
5 examples there.

6 A. No, I cannot tell you. I suppose
7 they were meant to be representative in some way.

8 Let us see, now, to what extent do
9 they give you the extremes here? I don't know.
10 They give pretty well the minimum and they also give
11 what I would guess would be the maximum also.

12 Q. Now, you will notice that this repre-
13 sents an increase in the Montreal River District, the
14 Montreal Harbour -- Cornwall District, the settlement
15 that took place that year?

16 A Yes.

17 Q. If you refer to the increases generally
18 on the River, the St. Lawrence River, you will notice
19 there was a zero percentage increase in Quebec and the
20 Kingston Districts. And therefore ---

21 A. In the Kingston District?

22 Q. Yes.

23 A. A zero percentage, I see what you mean.

24 Q. Yes, there was no increase?

25 A. Yes.

26 Q. Therefore it would be wrong, would it
27 not, to conclude that there were increases of over ten
28 per cent of the pilotage rates on the whole St.
29 Lawrence River that year? The Pilotage tariff was
30 changed only in the three cases out of five?





1 English

2 A. Yes, that is right.

3 Q. And the six per cent increase mentioned
4 by the Minister or the Deputy Minister, to which you
5 referred, if you apply it all over the river, that is
6 about the figure which we have got now?

7 A. Yes. I am sorry. I missed the
8 point, or are you about to come to a question?

9 Q. You stated yesterday that in your dis-
10 cussions with the Minister or the Deputy -- I don't
11 remember -- it was stated a six per cent increase
12 was considered?

13 A. Yes.

14 Q. Do you remember that?

15 A. Yes.

16 Q. By that settlement there was an increase
17 of over six per cent just in the three districts?

18 A. Yes.

19 Q. And an increase of zero per cent in
20 two districts?

21 A. Yes, but there was no question of the
22 other two districts.

23 Q. You say there was no question of the
24 other two districts in your discussions with the
25 Minister or the Deputy Minister at the time?

26 A. Certainly the Kingston District was
27 not involved in this discussion at all.

28 Q. In the last paragraph of this same
29 Appendix 77, I think you will find the commitment
30 from the pilots that they would not ask for an increase





1 English
2 in tariffs for the next three years was not considered
3 specific enough. I notice there was no other specifi-
4 cation later on. Would you consider therefore that
5 there is no such commitment?

6 A. As far as the Kingston Pilots are
7 concerned?

8 Q. As far as Pilots on the river. I
9 quote Appendix 77:

10 "Item No. 3 under the heading
11 'General Items for the River' is not
12 considered specific, and we would there-
13 fore appreciate your assurance that the
14 St. Lawrence River Pilots have agreed
15 not to expect or to ask for any changes
16 in the tariff of pilotage dues for a
17 period of three years."

18 A. Yes.

19 Q. You have not received any further
20 explanation on this?

21 A. I don't think we have.

22 Q. Are you still under the impression that
23 the commitment is not clear enough?

24 A. Well, I think we are under the impres-
25 sion that the commitment did apply to the St. Lawrence
26 River and that is the way it has been in effect.

27 THE CHAIRMAN: I see that you are at
28 the end of the book. Shall we adjourn for a few
29 minutes?

30 MR. LALONDE: Yes, my lord.





1 English

2 THE CHAIRMAN: We will adjourn for
3 fifteen minutes in order that you may have time to
4 clear away your documents and to prepare answers to
5 the questions you have been asked.

6 ---Short recess.

7
8 ---Upon resuming:

9 MR. BRISSET: Now that we have cleared
10 our papers, my lord, I would like to properly describe
11 Exhibit 942. It consists of the following Minutes
12 of the Pilotage Committee meetings of the Shipping
13 Federation held on April 5th, 1962, at 10.00 a.m.;
14 April 11th, 1962, at 11.30 a.m.; April 12th, 1962,
15 at 10.00 a.m.; April 12th, 1962, at noon, and a
16 special General Meeting of the Members of the Shipping
17 Federation held on April 5th, 1962, at 11.00 a.m.,
18 and on April 12th, 1962, at 2.30 p.m.

19 MR. LALONDE:

20 Q. Did you find how you got a copy of the
21 letter of March 14th, 1962, Mr. Colley?

22 A. No, I have not. I am sorry.

23 MR. BRISSET: We cannot find the source
24 yet.

25 MR. LALONDE:

26 Q. I submit to you, if it might help you,
27 that this letter was abstracted from the Department of
28 Transport files through the good offices of Mr. Jack
29 Fisher. If you want to check on this, you may be
30





1 English

2 able to find something in that direction.

3 On page 72 of Volume 1, at the end of
4 the third paragraph it is stated that -- you refer
5 to the system followed by the statisticians of the
6 Department in Appendix 68. To whom are you referring?
7 Do you know who those statisticians are and whether
8 there are any statisticians in the Department of
9 Transport?

10 A. I don't know them by name, no. I
11 believe they have some. I think they have a particular
12 system. It has a name to it; the Hollis System.

13 Q. The statistician to which you refer,
14 is he not Captain Jones?

15 A. No, I wouldn't say that, but if you
16 mean doesn't Captain Jones and even other officials
17 of the Department have a hand in which the form of
18 these statistics are put out, yes, I would agree
19 with you.

20 Q. Had you ever met any other statistician
21 from the Department other than Captain Jones?

22 A. No. In that light I would say Captain
23 Slocombe also has had a hand in the form in which these
24 should be presented.

25 Q. I notice on page 76 that you refer to
26 articles appearing in the press, which are reproduced
27 as Appendix 75. I think you have produced there an
28 editorial from Canadian Shipping. Would Canadian
29 Shipping be considered what one calls a trade magazine?

30 A. Yes, I would think so.





1 English

2 Q. When you refer to editorials published
3 in the press at the time, did you make surveys of the
4 editorials published at the time?

5 A. I don't know exactly what you mean by
6 a survey, but we did have quite a number of other
7 editorials or press reports of one kind or another.

8 Q. Were the editorials all to the same
9 effect?

10 A. The same effect?

11 Q. Or the same tendency?

12 A. As what we have here?

13 Q. Page 76 of your brief?

14 A. Yes, I would say, as far as I am aware,
15 that is the case. Yes.

16 Q. Did you read the editorials in the
17 French press?

18 A. I think we did have access to some of
19 those.

20 Q. My question is very simple once again:
21 Did you read the editorials in the French press? I
22 didn't ask you whether you had them.

23 A. I didn't, no.

24 Q. At page 77 you refer to the workload
25 and you mention 1958 to 1962 only. Is that because
26 you did not have any figures previous to 1958?

27 A. I believe that is the case. It was
28 when the Department first started to give out statis-
29 tical information in this form. I believe they went
30 back as far as 1958, the workload figures came out.



1 English

2 Q. You could not get that information
3 out of the big sheets which you did get from the
4 Department before?

5 A. I don't know. I would have to look
6 at those, Mr. Lalonde, to see if that might be possible.

7 Q. On page 78 you produce figures about
8 the gross earnings of pilots. I understand those
9 are gross earnings. Is that not the case? It is
10 not stated as such. If you look at Appendix 51 ---

11 A. Yes, they are gross earnings.

12 Q. It seems to be gross earnings indeed?

13 A. Yes.

14

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1 English

2 Q. Even though you did not have the figures
3 in terms of hours before 1958 is there any particular
4 reason why you did not pick up the information in terms
5 of the number of trips between 1953 and 1962, which
6 information was available to you, as appears in
7 Exhibit 938?

8 A. No, no particular reason.

9 Q. You would not have done this because the
10 number of trips increased every year per man?

11 A. No.

12 Q. Is there any particular reason why the
13 earnings in the Kingston district were left out -- 1961
14 and 1962?

15 A. Yes. We are only dealing here with
16 the St. Lawrence River portion as distinct from the
17 Great Lakes -- what comes under the Great Lakes
18 administration.

19 Q. At page 79, the last paragraph before
20 the Montreal River District, you make a comparison
21 of workload between 1959 and 1961. Then you make a
22 comparison of gross earnings between 1958 and 1962.
23 Why did you not take the same base here as in the two
24 cases since you had the information available? Is
25 it because the earnings would not show such a big jump
26 or the workload would not show a decrease in that
27 particular case?

28 A. No, because those are the only figures
29 available in the Department's figures. They only show
30 the workload for three years.



1 English

2 Q. Did you try and get it for 1958?

3 A. I am sure we have. Also we certainly
4 have tried to get it for 1962 unsuccessfully.

5 Q. Then I suppose there is an error in your
6 brief at page 77 where you state that the workload covers
7 the years 1958 to 1962? You would not seem in Appendix
8 51 to have any figures for 1958 anyway?

9 A. Just a minute now.

10 MR. BRISSET: We have the figures for the
11 earnings and the number of trips but not for the workload
12 in 1958 and 1962.

13 MR. LALONDE: Q. Then since you have the
14 information in number of trips is there any particular
15 reason why you did not take it in terms of number of
16 trips?

17 A. No, but you can do it anyway you want.
18 You can do it ten different ways. We have not picked
19 all the possible combinations, but we have put down a few.

20 Q. Obviously which were most advantageous to
21 your case?

22 A. Well, what would you do?

23 Q. I did not put it in a reproaching way.

24 If you refer to page 80, the Montreal-Kingston
25 district, do you mean to say seriously in the third line
26 from the bottom that because there was a division in
27 the Cornwall-Kingston district -- do you mean to say
28 seriously that the pilots' workload was therefore reduced
29 by 50% in the years 1960, 1961, 1962?

30 A. Where does it say that. We do not have



1 English

2 in the statistics 1961 and 1962. No, I am sorry,
3 I cannot offhand give you the answer without some kind
4 of figure of reference before me.

5 Q. Is it not a fact that the number of
6 trips per pilot once the district was divided into two
7 sections increased substantially from 1958 to 1959?

8 A. Yes.

9 Q. Because the distance was ---

10 A. Less.

11 Q. Cut in two?

12 A. Right.

13 Q. Therefore the statement that the pilots'
14 workload was reduced by 50% in 1960, 1961 and 1962 is
15 certainly, let us say, a presumptuous way of putting it?

16 A. But possible.

17 Q. Yes, well, this is a straight
18 affirmation. It is not made as a possibility; that
19 is the point. It is because there are so many
20 statements like this in the brief that I want to raise
21 it.

22 A. All right then, we will try to be more
23 specific, but you will have to allow me more time to
24 investigate and give you the exact reference on it.

25 THE CHAIRMAN: I think you do well in
26 bringing those facts out. We have to bear in mind,
27 of course, that this is like a declaration in a lawyers'
28 action, that this is done before the evidence is
29 established so therefore it might not agree. But I
30 think it is worth while that you bring all the points





1 English
2 with which you are not in agreement before us so that
3 we are not misled.

4 MR. LALONDE: I am trying to help the
5 witness, My Lord.

6 MR. BRISSET: In this regard, My Lord,
7 perhaps the Commission should recollect that in the
8 old canal system the trip lasted three and a half
9 days. In the Seaway with considerably less locks,
10 it lasted only from 24 to 28 hours. I can see that
11 the statement may be misleading. The word "workload"
12 may not have been intended to mean exactly what it
13 means in Appendix 51.

14 The point that was intended to be conveyed
15 is that there is certainly a reduction in the work of
16 a pilot when he does a trip that lasts three and a half
17 days compared to the same trip which lasts only 24 or
18 28 hours.

19 THE CHAIRMAN: I recall the evidence by
20 the pilots on that.

21 MR. LALONDE: Q. Would you say that
22 even though the ship would anchor every night and
23 although in many instances it would seem that there
24 were two pilots on board? Remember that in 1958
25 for instance on numerous ocean-going ships you had two
26 pilots on board for the trips between Montreal and
27 Kingston?

28 A. I remember that on occasion there were
29 two pilots, to which we objected very vigorously.
30 We were finally able to cut it out. But as far as the





English

point of anchoring is concerned, it is true that that was a practice I would say that was common with many of the old canalers.

MR. BRISSET: Mr. Colley, I think what Mr. Lalonde is suggesting to you is that when the ship is at anchor and even though the pilot is on board it should not be considered as part of his work. He is not working when the ship is at anchor.

MR. LALONDE: On the contrary, I am glad to notice that my friends are considering this as workload, and I take notice of his admission, even though the ship was tied up to a wall in the canal.

Q. I want to come to the recommendations which have been put forward by you, first of all in connection with Exhibit 945, which gives the proposed powers for the Board of Commissioners and for local pilotage committees. Could you tell me whether this document has been submitted to and approved by the pilotage committee or the executive council?

A. Yes, it has been.

Q. Would you have the minutes of such a meeting which would have approved this document?

A. You already have them.

Q. When was this done?

A. It was done at the same time as we got approval for our brief.

Q. You mean to say that this document has been prepared since early 1963, end of 1962?

A. Well, it has been prepared some



1 English

2 considerable time back.

3 Q. And this document as such was submitted
4 then?

5 A. Not this document as such, but the
6 gist of what is in here was also in our draft proposals
7 that were submitted to the general meeting.

8 Q. When you say the gist of this, is the
9 gist of this not what appears in recommendations numbers
10 1 and 2?

11 A. Yes, I guess that is probably right.

12 Q. On page 82?

13 A. Yes.

14 Q. And that in effect what was submitted
15 to the executive council or the general meeting of
16 your members was roughly the text you have on page 82
17 and following?

18 A. Actually in more detail.

19 Q. Do you have a copy of this document which
20 was submitted?

21 A. Do I have it here?

22 Q. Yes.

23 A. No.

24 Q. At the time?

25 A. I do not have it here, no.

26 Q. I understand your members were
27 circularized with such a draft at the time?

28 A. Yes. I am not certain if it is the
29 same as what was presented at the meeting or just how
30



1 English

2 this was done.

3 Q. Would you check into this matter
4 and file this document which was considered by your
5 general meeting?

6 A. I think we would prefer not to file that
7 document at this time.

8
9 (To Mr. Brisset) Do you want to explain this?

10 MR. BRISSET: My Lord, may I offer a word
11 of explanation here? The document which has been
12 filed as 945 is an exact copy of the document that
13 was submitted to the general council for their approval,
14 with the exception that we have left out here the
15 recommendations of the sub-committee as to the com-
16 position of the Central Pilotage Board and the local
17 pilotage committees, because on this score agreement
18 had not yet been reached on this composition. I
19 think the witness explained yesterday that it is the
20 intention of the Shipping Federation to study this
21 particular point or particular aspect further later
22 on during the course of these hearings. But leaving
23 out the composition of the committees the document
24 before you is an exact copy of what was submitted to
25 the council.

26 MR. LALONDE: I thought the witness had
27 said yesterday that he wanted to hear further testimony
28 before putting details about the composition of local
29 committees, not because there was not agreement in the
30 Shipping Federation.



1 English

2 THE WITNESS: It is both, Mr. Lalonde.
3 It is quite true. We happen to be a rather democratic
4 organization and we believe in listening to as many
5 sides of the question as possible both within our own
6 organization and taking advice from outside to arrive
7 at the best conclusion. That is exactly what we are
8 doing.

9 MR. LALONDE: Q. I see. It is because
10 you had forgotten to raise the democratic aspect of it
11 yesterday in your testimony.

12 This morning you filed minutes of meetings
13 where this draft brief was approved under Exhibit number
14 942. Are these the minutes of December 18th, 1962?

15 THE SECRETARY: Yes.

16 THE CHAIRMAN: What about 926? now?

17 MR. JACQUES: That is a meeting with Mr.
18 Baldwin, My Lord.

19 THE CHAIRMAN: For 926 the note I have
20 here is "Minutes of meeting where the brief was
21 discussed."

22 MR. LALONDE: And 942 is the meeting with
23 Mr. Baldwin and the others.

24 THE CHAIRMAN: Yes.

25 MR. JACQUES: I stand corrected.

26 MR. LALONDE: So it is 926. Yes, My Lord;
27 we have this afternoon changed the number because 926
28 was reserved.

29 Q. Under Exhibit No. 926 you filed the
30 minutes of meetings which approved the draft brief,



1 English

2 I notice that at those meetings you have several cases
3 where two persons are representing the same company.
4 On the other hand Mr. Mearns gave evidence here that
5 the 49 members of the Shipping Federation are effectively
6 companies appearing in the second column of Appendix 1
7 volume 2 of your brief?

8 A. Yes.

9 Q. I understand that the numbers appearing
10 in Exhibit 928, which is the list of general meetings
11 with figures, under an item called "Number in Attendance"
12 correspond to persons being present at that meeting,
13 whether there was one or two persons per company.
14 Do you remember that?

15 A. Yes.

16 Q. I notice that at the meetings of
17 December 18th, 1962 eighteen companies were represented,
18 or eighteen members were present as far as members were
19 concerned?

20 A. Yes.

21 Q. Sixteen on January 24th and eighteen
22 on January 11, as far number of companies is concerned
23 or the numbers of actual members.

24

25

26

27

28

29

30



1 English

2 For instance, I counted twenty-eight
3 persons present, minus, if I deduct the legal counsel,
4 plus the officers --officials of the Shipping Federa-
5 tion -- that would make twenty-four. Twenty-four
6 persons were present at that meeting. Is that a
7 fair representation of the number of members of the
8 Shipping Federation which generally attend the
9 meetings?

10 A. Yes, I think so.

11 MR. BRISSET: Mr. F. L. Parsons, if
12 I may interrupt, was the President of the Shipping
13 Federation at the time.

14 THE WITNESS: That is correct.

15 MR. LALONDE:

16 Q. At page 86 of Volume 1 you seem to
17 take exception to the fact that the Corporations
18 incorporated under Part II of The Canada Companies
19 Act should have ^{under} their control amounts of money which
20 altogether amount to three and a half million a year
21 for the four Districts. Is this a general exception,
22 you would say, to the principle that companies under
23 Part II should not have so much money under their
24 hands?

25 A. Not that they should have so much
26 money under their hands. You are asking me my impres-
27 sion. I don't want to get involved in legalities . . .

28 Q. You cite in your brief, as it
29 appears at page 86 -- and you might read the last
30 sentence . . .



1 English

2 MR. BRISSET: I think the witness
3 should be entitled to give his point of view.

4 THE CHAIRMAN: Yes. He is going to
5 read the sentence.

6 MR. LALONDE:

7 Q. It is the last sentence on page 86.

8 A. I have read the sentence. It is my
9 feeling that it is not the amount of money that is at
10 stake; it is the way in which the money is controlled.

11 I don't pretend to know enough about
12 it, but I would think the general classification of
13 companies under this section are such that the impli-
14 cation is that they tend to be non-profit organizations,
15 and I think it would be further implicit -- and again
16 this is just my own personal point of view -- I think
17 it is implicit that within the organization there
18 should not be the opportunity for members of corpora-
19 tions to benefit.

20 Q. That is what you mean by this statement
21 at page 86?

22 A. I am just giving you the point of view
23 that I have in this regard, as to the objection.

24 Q. At page 86, commenting on recommendations
25 Nos. 3 and 4, you state, and I quote:

26 "The objective of the Shipping
27 Federation in the interests of the
28 Canadian economy is that a stable and
29 reliable pilots' service be provided
30 at a reasonable cost."



1 English

2 Will you tell me when the cost was reasonable for the
3 last time, in your opinion?

4 A. I would have to do some research into
5 that to try and give you an answer. I don't think
6 that, having never reached an agreement on the con-
7 cept of establishing a fair remuneration that it
8 would be possible to go back.

9 I can express my point of view on the
10 thing, but that won't be much of a help.

11 Q. Is the cost reasonable at the present
12 time?

13 A. It is a relative thing. My own point
14 of view is that in many cases it is not reasonable.

15 THE CHAIRMAN: I think this word
16 "reasonable" is explained by the balance of the para-
17 graph.

18 MR. LALONDE:

19 Q. Have you ever made a study as to the
20 increase in the other costs of your operations during
21 the last ten years?

22 A. I can't think offhand of a particular
23 study. Can you give me any further idea of the line
24 of what you are thinking?

25 Q. You are in business and you have a
26 business yourself, haven't you? Do you mean to say
27 that you have never made a study relating to your costs
28 in your operations over the last ten years or in
29 particular, connected with shipping?

30 A. Perhaps the word "study" is the one



1 English

2 that set me off. Certainly we keep a constant record
3 of operational costs of various kinds.

4 Q. Have you been making cost accountings
5 of your operations for the last ten years?

6 A. Well, I haven't been in business for
7 ten years, but certainly since the time that I have
8 been in business I have kept certain records in this
9 respect, yes.

10 Q. Would you have any idea of the increase
11 in your costs?

12 A. The increase in my costs?

13 Q. With respect, let us say, to stevedoring
14 over the last ten years?

15 A. I couldn't give you a figure offhand.
16 Such a figure would be available.

17 Q. Now, at the end of page 91 you make
18 a statement, and I quote the last sentence:

19 "Of course, uniformity of remunera-
20 tion for the pilots of all Districts
21 as recommended in the report of the
22 'Audette' Commission should be one
23 of the objectives sought in so far
24 as it can be achieved . . ."

25 etc., etc., etc. Did you check into the "Audette"
26 Report in this connection to find such a statement?

27 A. Yes, we must have done at the time.
28 I can't recall the details at the moment.

29 Q. Are the points which you are referring
30 to those which appear in your own brief at page 17,



1 English

2 in particular, where you quote the Audette Commission
3 Report -- page 18 of the Audette Commission Report,
4 for instance? It is quoted at page 17 of your brief,
5 Volume I. You have a certain number of quotations
6 there. Is that what you are referring to?

7 A. Yes, this appears to be.

8 Q. I submit to you that this is not at
9 all what the Audette Commission has recommended, and
10 when I say "this is not at all" I refer to your
11 statement at page 91. What is, in fact, recommended
12 in the Audette Commission, as appears at pages 17 and
13 18 and pages 16 and 17 of your brief, is not uniformity
14 of remuneration, but what is stated at page 18 of
15 the Audette Commission is the establishment of a
16 uniform system to form the basis of tariffs in all
17 Districts; and this is in connection with the discus-
18 sion which goes on on page 19 on whether the formula
19 of draught and the tonnage would not be the preferable
20 one, which, in fact, was recommended by the Audette
21 Commission; and so far as the question of remuneration
22 is concerned I submit to you that, as quoted in your
23 own brief at page 16, the Audette Commission has re-
24 jected the principle of minimum guaranteed income
25 for the pilots as being "socially, politically and
26 economically unsound," and the next paragraph went
27 on to say: "We do consider that a pilot is entitled to
28 earnings commensurate with the services he renders
29 and with the time, energy and money he has expended in
30 the acquisition of the qualifications necessary to his
profession. This adequate earning can only be assured
by the establishment of equitable rates..."



1 English

2 I submit to you that the Audette Com-
3 mission is not recommending what you state at page
4 91 at all?

5 MR. BRISSET: This is a question of
6 argument, I m afraid.

7 MR. LALONDE: It is a question of fact.

8 THE CHAIRMAN: We don't want to know
9 what the Audette Commission found. This Commission is,
10 I think, able to find out by itself.

11 It may be a question of interpretation;
12 and therefore it will be argument. Of course, there
13 is a question on the statement here. This is a
14 question of argument as to the interpretation of it,
15 and our interpretation may be different; and you may
16 be sure that we are not going to take the statement
17 made by anyone in argument as the truth of the matter.
18 We are going to make our own decision.

19 But, as I said before it is good that,
20 in the record, anything that seems to be not clear
21 or in contradiction should be brought to our attention
22 so that we may be not misled.

23 MR. LALONDE:

24 Q. Since we are on this question of
25 earnings, Mr. Colley, and you are talking about target
26 income and all that, what should be the earnings of
27 a pilot on the St. Lawrence River, in your opinion?

28 A. Well, that is a very good question.
29 I think that is a question that will have to be faced
30 up to as one of the major problems of this entire



1 English
2 inquiry.

3 I cannot give you an exact figure
4 of what I think should be the earnings of a pilot.. I
5 think the only thing that can be done is to take into
6 consideration and to lay down what are the considera-
7 tions in arriving at what is fair and equitable.

8 In other words, what is the criterion
9 to be used in establishing what a man is worth in his
10 industry or any profession? It is the extent, in
11 some cases, of his education. I would say that in
12 talking about the pilot's profession we are talking
13 about men who are earning money in a classification
14 that normally is reserved to people of professions --
15 doctors, engineers, lawyers, and so on. I don't
16 think that education is entirely the criterion, for
17 if that had been the case I would have found myself
18 very restricted.

19 But the other points that have gone
20 through my mind -- I don't know --rather than expound
21 here extemporaneously, if the Commission should be
22 interested I did make some notes on this very subject
23 back last July and these were put down as my own
24 personal thoughts on this matter at the time. They
25 weren't intended to be formal and I really didn't
26 have any intention of submitting them; but it is, I
27 think, an increasing problem, and if this is of
28 interest I could read it or could submit it. But
29 it touches on the very point you are raising.

30 Q. Do you go into dollars and cents?



1 English

2 A. No, I don't, because I don't think it
3 is up to the shipping side to mention dollars and cents.

4 I think you have to have a principle
5 established. You must sit down and say: "How does
6 one measure what the value is worth?" and if you can
7 jointly agree on that then you don't have any problem.
8 If you can't jointly agree on that you may have a
9 problem of convincing one or other of them of the facts
10 factors concerned -- that is true -- but I don't think
11 you start with somebody throwing out a figure and
12 saying "This is what we think you are worth."

13 If we heard a few of the arguments on
14 the other side then some of the considerations I have
15 in mind might very well be changed.

16 Q. Then, I will ask it more from the
17 shipowner's point of view. What do you think the
18 cost of pilotage should be in terms of cargo?

19 A. I don't think it has any relationship
20 whatsoever.

21 Q. Do you mean to say that pilots could
22 not price themselves out of the market because pilotage
23 rates would be too high?

24 A. I didn't say that at all.

25 Q. And, again, you state that pilotage
26 has no relationship with cost per ton of cargo --
27 that is, pilotage rates?

28 A. Pilotage as an expense and the rates
29 can be related certainly per ton of cargo, but it
30 can't be used in deciding what the earnings or the



1 English

2 tariff of the pilots should be. It should be linked,
3 it is true, but I dispute that and say that it is
4 not reasonable, logical or practical.

5 Q. At what rate would you begin to con-
6 sider that, in the present situation, pilotage becomes
7 too high so far as the shipowner is concerned -- with
8 his cost of freight and all that?

9 A. If you are talking of the practical
10 view, at what point a shipowner would not send his
11 ships here, I would, of course, say that there must be
12 such a point.

13 I don't quite know what this has to do
14 with our discussions, but certainly it is obvious
15 that if there is an accumulation of costs in any
16 operation, or if you have a lot of minor ones, or
17 have a large one, or if you have enough minor ones
18 that they accumulate into a big one, then the shipowner
19 will get to the point where he may not send his ships
20 into the lakes; he will come to the point where even
21 a small added cost becomes the straw that breaks the
22 camel's back and he will not go into the lakes. This
23 is basic economics; and this happens. There are
24 owners today who won't go into the lakes; and I don't
25 think this is only because of pilotage; but I would
26 say it is because of costs that they face and the
27 pilotage happens to be one of them.

28 Therefore, it is important to consider
29 every item -- not just pilotage. It should not be the
30 case that it is simply a charge that is being assessed



1 English

2 because we feel that the shipowner can afford to pay
3 it.

4 Q. Then, is it not a fact that pilotage
5 based on draught and tonnage is much more fair to the
6 shipowner in the sense that he will not have to pay
7 a flat rate and the expenses he will be called upon
8 to pay will have some relation to the cargo he is
9 carrying and the earnings of his trip?

10 A. From the shipowner's point of view,
11 if you just take a group of shipowners it may very well
12 be that between themselves they say: "Look, there is
13 a certain amount of cost to have pilots in the St.
14 Lawrence River, and it must be distributed amongst
15 ourselves so that we know just what the little operator
16 is paying and what the big operator is paying." This
17 is a problem that should be solved by the shipowners
18 and amongst the shipowners.

19 Q. You don't think the public interest is
20 involved in this?

21 A. Very much so, I think the public
22 interest is involved.

23 Q. Then, it is a matter to be decided
24 by shipowners only?

25 A. Yes; the distribution of what the cost
26 will be.

27 Q. I notice that the system of tonnage and
28 draught in the Quebec District shows an increase from
29 1959 to 1962 inclusive from \$140 to \$150 per trip.
30 This is the figure you quoted this morning?



1 English

2 Q. Would you not say that the system of
3 draught and tonnage provides for a certain stability
4 in the cost of pilotage in the sense that if you have
5 fewer ships but larger ships, you will maintain pretty
6 well the same cost per trip and that as would appear
7 from this, over a period of four years, the increase
8 certainly was not bigger than the increase in the
9 general productivity of this country. From 1959
10 to 1962 would be approximately a seven per cent
11 increase cost per trip?

12 A. 1959 to 1962?

13 Q. Yes.

14 A. Ten dollars increase on \$140, yes,
15 approximately. What is the question? This is all
16 related to draught and tonnage ---

17 A. The basis of draught and tonnage has
18 guaranteed a certain stability in the cost of pilotage
19 per trip in the District, and if you had not had this
20 regime of draught and tonnage, you would have been
21 called upon much more often to analyse the tariff
22 in order to maintain the same general income per trip?

23 A. No, I don't entirely follow you, but
24 I don't see the stability. In fact, I thought I had
25 explained this morning it did just exactly the opposite;
26 that what it did produce in effect was in the final
27 analysis a level of earnings that was a great embarrass-
28 ment to all concerned. If that is ---

29 Q. That is the point. You stated this
30 mbrning there is a built-in increase?



1 English

2 A. Yes.

3 Q. My point is that the built-in increase
4 which is there is only there in the sense it is lower
5 than the increase in productivity in this country which
6 everybody agrees should be shared by all workers and
7 all people in the country.

8 A. I don't see the relevancy at all to
9 this tonnage and draught basis and the national pro-
10 ductivity. If you are talking about ---

11 Q. I will keep it for argument then.

12 A. All right.

13 Q. You stated in connection with recom-
14 mendation No. 11 that the disposition of the funds
15 of the Corporation was controlled by non-pilots. Were
16 you referring there to the competent legal counsel
17 and expert economic consultants to which your pamphlet,
18 produced as Appendix 49, has referred?

19 A. That might be a reasonable assumption.

20 Q. To what were you referring or is it
21 just loose talk?

22 A. No, that is the case. As I understand
23 it the Corporation is not only composed of pilots.

24 Q. Who are these other members of the
25 Corporations?

26 A. I believe their legal representatives
27 are.

28 Q. Are members of the Corporations, yes.
29 Can I join? Who else?

30 A. Apart from pilots?



1 English

2 Q. Yes.

3 A. I can't name anybody else.

4 Q. I see. Then a single legal repre-
5 sentative, who is the only non-pilot member, would
6 have the power to control the disposition of funds of
7 the Corporations. I am quoting you pretty well?

8 A. Yes.

9 Q. Have you met with Mr. Koenig before
10 your testimony here in Quebec City?

11 A. No, I am afraid I don't know the
12 gentleman.

13 Q. Have you any evidence to the effect
14 that the same people who are examining candidates are
15 the people who are admitting apprentices into the
16 Corporations?

17 A. No, sir, and I didn't say that.

18 Q. I have your exact words here to the
19 effect the same people are examining candidates?

20 A. Well, I should have put it -- I thought
21 my subsequent testimony linked up to the fact that
22 what I said was "This could happen" or I believed
23 it could happen. I think I emphasized I was not
24 saying it did happen but rather I thought it could
25 happen.

26 Q. Did you have time to check into the
27 cost of the publicity in the papers during the stoppage
28 of work in 1962?

29 A. I am sorry, no.

30 THE CHAIRMAN: Do you think it would





1 English

2 be relevant as far as we are concerned?

3 MR. LALONDE: I am ready to forget
4 about it, my lord.

5 MR. BRISSET: There is a note in the
6 Minutes, my lord, one of the members said he thought
7 it was very expensive.

8 THE CHAIRMAN: It is like trying to
9 find out the cost of a war.

10 MR. BRISSET: Yes.

11 THE CHAIRMAN: Have you changed sub-
12 jects now?

13 MR. LALONDE: Yes, my lord.

14 THE CHAIRMAN: Yes, that is all right.
15 We will adjourn now until tomorrow morning at ten
16 o'clock, as usual.

17 ---Whereupon the hearing adjourned.
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